Daily Report

Latin America

FBIS-LAT-91-223
Tuesday
19 November 1991

Daily Report
Latin America

FBIS-LAT-91-223 *19 November 1991*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-AMERICAN AFFAIRS

Honduran OAS Ambassador on Haiti, Caricom *[Tegucigalpa Radio]* 1
Aristide, Country Leaders To Meet in Cartagena *[Santa Fe de Bogota Radio]* 1

CARIBBEAN

Cuba

Castro Reportedly To Attend Rio Group Meeting *[Mexico City NOTIMEX]* 2
Castro Comments on Agreements With Asturias *[Havana TV]* 2
Robaina Addresses Friendship Association in Spain *[Havana Radio]* 3
Machado Attends Sancti Spiritus Party Plenum *[Havana Radio]* 3
Government Concerned About Economic Crimes *[Madrid EFE]* 4

Haiti

President Nerette Armed Forces Day Speech *[Port-au-Prince Radio]* 4
Government Communique on French Citizens Safety *[Port-au-Prince Radio]* 5
French Envoy Recalled for Consultations *[Port-au-Prince Radio]* 5
Finance Minister Beaulieu Comments on Budget *[Port-au-Prince Radio]* 6
Communique Reorganizing Rural Police Issued *[Port-au-Prince Radio]* 6
LRH Urges Supporters To Commemorate 18 Nov *[Port-au-Prince Radio]* 6

Trinidad and Tobago

UN Financial Aid To Support Haitian Refugees *[CANA]* 6

CENTRAL AMERICA

El Salvador

Rebels Declare Alert Over Government Offensive *[AFP]* 7
Warns of Possible Clashes *[Radio Venceremos]* 7

Guatemala

President Describes Challenges of Administration *[Mexico City NOTIMEX]* 8

Nicaragua

Assembly President on Property Law Reforms *[Managua TV]* 8
Lacayo Calls Unemployment Country's Main Problem *[Managua Radio]* 9
Groups Issue Communique Rejecting Violence *[Managua Radio]* 10
FSLN Deputy Reports Plans To Assassinate Him *[Hamburg DPA]* 10
Activists Take Over Granada Municipal Offices *[Managua Radio]* 10
Police Repel Recontra Attack in La Trinidad *[Managua Radio]* 10
* Commentaries Accuse Extremists of 'Terrorism' 11
* Sandinist Demands Criticized *[LA PRENSA 23 Oct]* 11
* 'Revanchists' Undermine Peace *[EL NUEVO DIARIO 25 Oct]* 11

Panama

U.S. Attitude on Foreign Debt Criticized *[LA ESTRELLA DE PANAMA 18 Nov]* 12

SOUTH AMERICA

Argentina

Menem Announces More Investments From U.S. *[TELAM]* 14
Minister Cavallo on Brady Plan, Stock Exchange *[NOTICIAS ARGENTINAS]* 15
IDB Grants Loan for Transformation Process *[LA PRENSA 16 Nov]* 15
Senate Passes Employment Reform Law *[BUENOS AIRES HERALD 14 Nov]* 16
Newly-Approved Law Evaluated *[LA PRENSA 17 Nov]* 16
Air Force Chief of Staff on Pampa Planes *[NOTICIAS ARGENTINAS]* 17
Nuclear Plants Reported Operating Efficiently *[TELAM]* 18
New Army Chief of Staff Balza on Army Role *[TELAM]* 18
Appointment of New Justice Secretary Noted *[LA PRENSA 16 Nov]* 18
Bomb Attacks Protest Mendoza Deregulation Bill *[NOTICIAS ARGENTINAS]* 18
Rural Confederation Supports Economic Measures *[TELAM]* 19

Bolivia

U.S. Ambassador's 'Joke' Prompts Criticism *[PRESENCIA 14 Nov]* 19
Minister Confirms Repentance Deadline 26 Nov *[La Paz TV]* 19
Foreign Minister on Upcoming Antidrug Summit *[EL DIARIO 6 Nov]* 20
Terrorists Blow Up Power Towers in Lagunillas *[PRESENCIA 14 Nov]* 20
Negative Foreign Exchange Through Sep Reported *[PRESENCIA 5 Nov]* 20

Brazil

Venezuela's Perez Arrives on 3-Day Visit *[Brasilia Radio]* 21
Holds Meeting With Collor *[Brasilia Radio]* 21
Foreign Minister Reports on Talks *[Brasilia Radio]* 21
Collor Postpones Visits to Uruguay, Chile *[Brasilia Radio]* 22
Rezek to Moscow in Dec; Predicts Closer Ties *[Brasilia Radio]* 22
Government Ends Gasoline Price Control *[Brasilia Radio]* 22
Government Finishes Letter of Intent for IMF *[Rio de Janeiro TV]* 22
More on Economic Plan *[Rio de Janeiro TV]* 22
Police, Demonstrators Clash Over Auction *[Rio de Janeiro TV]* 22
New Parliamentarian Bloc Created *[O ESTADO DE SAO PAULO 12 Nov]* 23

Chile

U.S. Military Aid Issue Viewed by Congressman *[Santiago Radio]* 23
Arrest Warrants Confirmed in Letelier Case *[Santiago Radio]* 23
Supreme Court Confirms Charges *[Madrid EFE]* 24
Socialist Party Joins Socialist International *[Santiago Radio]* 24

Colombia

Socialism Remains Goal of Guerrillas *[Panama City ACAN]* 24
Venezuela Grants Refugee Status to CNGSB *[Santa Fe de Bogota TV]* 25
Commentator Rejects Foreign Meddling *[EL TIEMPO]* 25

Peru

Fujimori on Visit to 'Special' PRC Economic Zone *[Lima TV]* 26
Mediation of Brazil in Border Conflict Discussed *[Lima TV]* 26
Freedom Movement Leads Political Preference Poll *[EXPRESO 5 Nov]* 27
Government Opens Rail System to Privatization *[EXPRESO 7 Nov]* 27
Radio, Television Association Issues Communique *[Lima TV]* 27
Police Report Countrywide Guerrilla Attacks *[Mexico City NOTIMEX]* 28

Venezuela

President Explains Privatization of CANTV *[Caracas TV]* 28
* Poll Reveals Doubts About Economic Policy *[EL UNIVERSAL 18 Oct]* 29

Honduran OAS Ambassador on Haiti, Caricom

PA1911000691 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 18 Nov 91

[Telephone interview with Juan Jose Cuevas, Honduran ambassador to the OAS, by unidentified reporter in Washington D.C.—live]

[Text] [Reporter] Good morning, Mr. Ambassador.

[Cuevas] Good morning.

[Reporter] Mr. Ambassador, the OAS mission has just returned from a meeting with the de facto government in Haiti. Could you tell us what the OAS is discussing at this moment?

[Cuevas] The OAS mission returned on 14 November, and the Permanent Council met on 15 November with Dr. Augusto Ramirez Ocampo, former Colombian foreign minister and head of the mission. The mission returned with a document, their first effective achievement, signed by the de facto Port-au-Prince authorities. The authorities agreed to an OAS-mediated meeting with President Aristide to begin negotiating and make certain decisions.

[Reporter] Is it true that the Haitian military passed the buck on to the civilians in the government?

[Cuevas] This is precisely the first thing the commission noticed when it met with General Cedras. It appears as if Gen. Cedras has delegated all negotiating power to the civilian government; the government formed after President Aristide's departure.

[Reporter] Is the trade embargo causing serious difficulties for the de facto Haitian Government?

[Cuevas] That is true. We discussed this issue in depth at the meeting of the OAS Permanent Council on 15 November. The impact is being felt, and it goes without saying that we are all very concerned about the Haitian people's situation. Regrettably, the Haitian people more than anyone else are feeling the consequences. We hope that the meeting will take place this week in Cartagena de Indias [Colombia] and will be the first step toward weakening the embargo. We do not want the embargo, but almost all of us agree that this has helped to bring us to the position where we are negotiating with these people.

[Reporter] Changing topics, Mr. Ambassador, we understand that a Central American and Caribbean countries ministers' meeting will take place in a few days in San Pedro Sula. What can you tell us about this?

[Cuevas] Between 29 and 31 January we will hold the first Caricom [Caribbean Common Market] and Central American ministers' meeting. Caricom is a group of Caribbean English-speaking countries that have a common market. They have agreed to meet with the Central American common market countries. This is based on President Callejas' initiative in January. We have been negotiating with these countries at the OAS in Washington to prepare for the meeting. In San Pedro Sula we will need to establish the bases of a new relationship, we are calling it a plan of action, where we will discuss political cooperation, integration, trade, tourism, and future joint stances at international forums. This was a good idea on President Callejas' part to call the meeting, and also a good idea on Caricom's part to have accepted it.

[Reporter] One last question, Mr. Ambassador. Approximately how many Caribbean countries plan to attend?

[Cuevas] Caricom's 13 member countries plus the six Central American countries equal 19. We are counting on about 20 or 21 countries because we have invited the OAS to take part. This will be an important meeting. We will have Belizean Prime Minister George Price, who will inaugurate the meeting with President Callejas. Apparently there are other Caribbean heads of state who want to attend, so we can say that this meeting is generating quite a bit of interest. We will see who will attend, but Caricom's general secretary told me last week that they accepted these dates.

[Reporter] Many thanks, Mr. Ambassador.

Aristide, Country Leaders To Meet in Cartagena

PA1811192591 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 18 Nov 91

[Text] The search for a solution to Haiti's internal conflict has moved to Colombia. Ousted Haitian President Jean-Bertrand Aristide and delegates from the Haitian parliament will meet on 23 and 24 November in Cartagena, former Colombian Foreign Minister Augusto Ramirez Ocampo told Caracol.

Ramirez Ocampo has just returned from Haiti, where he led the OAS mission that is trying to solve that country's problems resulting from the coup d'etat that ousted President Aristide.

Ramirez Ocampo said that since 15 November he has been meeting with the ousted president and the delegates from the Haitian Senate and Chamber of Deputies who will come to Cartagena to evaluate the situation in Haiti.

Ramirez Ocampo added that he has presented an objective report to the OAS General Secretariat on the mission. He said: I believe that it is possible to find a constitutional formula that will allow the return of President Aristide with some reciprocal guarantees.

He also disclosed that he will meet with President Cesar Gaviria Trujillo to explain the purpose of the meeting. He said that he has had similar contacts with Venezuelan President Carlos Andres Perez.

Cuba

Castro Reportedly To Attend Rio Group Meeting

PA1611120991 Mexico City NOTIMEX in Spanish 1323 GMT 15 Nov 91

[Text] Santa Fe de Bogota, 15 Nov (NOTIMEX)—According to diplomatic sources, Cuban President Fidel Castro will reportedly attend the next meeting of the presidents of the Rio Group as a special guest. The meeting will take place from 1 to 4 December.

According to Radio Cadena Nacional [RCN], spokespersons from the Colombian Foreign Ministry reported that the Cuban president "is studying" whether he will attend the meeting, which will assemble 13 Latin American presidents.

Castro is interested in strengthening his relations with the Latin American countries after ties with the countries of Eastern Europe have grown weaker. According to sources quoted by RCN, Castro's attendance at the Rio Group Meeting points in that direction.

On 23 October, Fidel Castro attended the meeting held by the presidents of the Group of Three (G-3) countries on the Mexican island of Cozumel. The G-3 is made up by Mexico, Colombia, and Venezuela. At that meeting, and before Presidents Carlos Salinas de Gortari of Mexico, Cesar Gaviria Trujillo of Colombia, and Carlos Andres Perez of Venezuela, the Cuban leader described the serious economic crisis that Cuba is experiencing, following the deterioration in relations with the Eastern European countries.

Although no aid agreements were reached during the meeting on the Caribbean island, Castro's presence at the summit was seen as an attempt by the G-3 to serve as a mediator between the Havana regime and the U.S. Government, which has stepped up its diplomatic offensive and the blockade against Cuba.

In October, Omar Morales, the Cuban Consul to Colombia, said it was his country's intention to strengthen ties with all Latin American countries.

During the Ibero-American leader's meeting, which was held in Guadalajara, Mexico, in July, President Fidel Castro announced the renewal of diplomatic relations with the governments of Colombia and Chile.

During the upcoming meeting of the Rio Group presidents, the Latin American integration process will be a high priority on the agenda.

According to diplomatic sources, the presidents will discuss the crisis in Haiti and several agreements on drug trafficking.

The Rio Group, which is a Latin American political consultation and agreement mechanism, comprises Mexico, Colombia, Venezuela, Argentina, Chile, Uruguay, Paraguay, Peru, Bolivia, Ecuador, Costa Rica, and Jamaica.

Castro Comments on Agreements With Asturias

FL1911031091 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 19 Nov 91

[Text] Approximately 10 documents, including agreements, letters of intent, and letters for the creation of mixed enterprises, were signed today between the representatives of Asturias and Cuba. Commander in Chief Fidel Castro, president of the Councils of State and Ministers, and Juan Luis Rodriguez Vigil, president of the Principality of Asturias, attended the event. With the signing of these agreements, the business meetings that began a few days ago at the Palace of Conventions in Havana have come to an end. The business meetings were part of the trade exchange program scheduled between the Asturian delegation and various Cuban enterprises. A letter of intent was signed by the Ministry of the Food Industry for the creation of mixed enterprises for the production of Copelia ice cream and another enterprise to be built in Cuba for the processing of cheese and milk and the exchange of powdered milk. Another letter of intent was signed between the Cuban Machinery and Equipment Import Enterprise and the Asturian Founders Association for the probable exchange of products, mutual cooperation, and assurance of financial transactions. The Cuban enterprise Signo, in representation of the National Furniture Industry Union, and the Asturian corporation (Asturcoex) signed an agreement aimed at reaching some form of association that will contribute to services in the design and manufacture of furniture and other complementary articles.

The Asturian Savings Bank signed an overall cooperation agreement with the Cuban National Bank and our People's Savings Bank to guarantee correspondence between the two institutions and to train personnel. The Chamber of Commerce of Cuba and the Chamber of Commerce, Industry, and Navigation of Aviles, the latter in representation of its sister chambers in Oviedo and Gijon, also signed an agreement.

Likewise, various Cuban institutions reached an agreement with the Asturian Regional Promotion Institute to give continuity to the negotiations and talks held here in Cuba. It was also agreed upon to sign the document creating the (Tece, S.A.) mixed enterprise to be formed by [word indistinct] of the Cuban Academy of Sciences and (Asturcoex), which is established in our country. (Tece, S.A.) will assemble, promote, and sell high-technology equipment, especially laser equipment, for medical, industrial, and scientific use. (Asturcoex) also agreed on the creation of the (Tumi) mixed enterprise with the Cuban (Copextel). This mixed enterprise will produce and sell software equipment, parabolic antennas, and boilers, among other products.

At the conclusion of the event, the president of the Principality of Asturias and Jose Ramon Fernandez, vice president of the Executive Committee of the Council of Ministers signed a protocol, at government level, for [words indistinct] between the two parties. Rodriguez Vigil was pleased and wished a long life for all the agreements established between Cuba and Asturias.

[Begin Rodriguez recording] Ladies and gentlemen: At this time, when these agreements, protocols, and letters of intent have been signed, I wish to thank you for the hospitality and exquisite cordiality with which the Asturians have been treated. We will never forget this. We believe this is very important because it proves that the [word indistinct] being signed here will be lasting and stable and more ties will be established each day. I also believe, Commander, that this visit [words indistinct] should be followed by a visit to Asturias by Cuban businessmen and heads of Cuban enterprises so that they may see our region and expand and strengthen all these ties that [words indistinct] toast that they will be stronger. [applause] [end recording]

Our Commander in Chief Fidel Castro talked about the work ahead and agreed that there is a need to put our minds and energy to ensure that the negotiations continue.

[Begin Castro recording] That is what this visit has been all about. It has been an intense program; practically no one has slept in these past few days. Everyone has been working. I believe that all this represents a very big step forward, I would even say gigantic step forward in the relations between the Principality of Asturias and Cuba. However, the work involved is not the only important thing. The important thing is to work well and efficiently, work with maximum seriousness. I can assure you that our people will put their minds and energies to ensure that this magnificent plan is carried out. I believe that this is an example and an expression of the great possibilities that exist; of the new things that must be done in today's world, of rapprochement and cooperation between two countries.

Yesterday when I addressed the Asturians I said that there are centuries of experiences accumulated and that the exchange of that experience can produce a lot. However, we are going to exchange more than experiences, we are going to exchange cooperation, technology, capital, and merchandise. We are also going to find solutions to your problems and our problems. We are going to provide an example and I believe that is the most important. Asturians and Cubans must make it their goal to use all the power of their minds to successfully carry out these tasks and give the world every reason to talk about our cooperation, give the world a real and eloquent example of what brother countries can do, what two peoples full of the feeling of fraternity, like ours, can do. May those feelings of friendship and brotherhood between Asturians and Cubans, between Spaniards and Cubans, last forever.

Thank you. [applause] [end recording]

Minutes after the signing of the agreements and letters of intent, the president of the Principality of Asturias visited several installations at the Center for Biological Research. He was accompanied by members of his delegation. Manuel Limonta Vidal, director of the Center for Biological Research, gave them a detailed description of the research being done at the center and explained the modern equipment the center has to study biological samples and the composition of protein. Rodriguez Vigil signed the guest book where he expressed his admiration for the work done at this center.

Robaina Addresses Friendship Association in Spain

PA1811143691 Havana Radio Havana Cuba in Spanish 0000 GMT 18 Nov 91

[Text] On 17 November, Roberto Robaina, first secretary of the Union of Young Communists [UJC] of Cuba, participated in a conference in Madrid called by the Hispanic-Cuban Friendship Association.

Approximately 1,000 people filled the auditorium of the Labor Commission, one of the largest Spanish labor unions, to listen to the Cuban leader. Robaina answered questions about life in Cuba and on the strategy being applied to resolve its problems.

Responding to one of the questions, Robaina spoke about the pressure that the United States and some of its allies are exerting to make Cuba establish the multiparty system. Those who offer us many political parties have not been able to resolve what we have resolved with one single party, the young Cuban leader stated as the audience applauded.

Robaina, who is also member of the Politburo of the Communist Party of Cuba, has been in Spain since 14 November. He went to Spain to close an exposition on the achievements of Cuba in three decades of socialism.

Machado Attends Sancti Spiritus Party Plenum

FL1811172091 Havana Radio Reloj Network in Spanish 1502 GMT 18 Nov 91

[Text] Politburo member Juan Ramon Machado Ventura, speaking at the closing session of the Sancti Spiritus Provincial Communist Party of Cuba [PCC] Plenum on the application of the resolutions of the Fourth PCC Congress, has said: We believe that the goals discussed can be achieved in an objective manner with the participation of each of you and of all the people of Sancti Spiritus.

The plenum approved the work guidelines for Sancti Spiritus that correspond to the resolutions for national economic development, which were approved during the Fourth PCC Congress.

Issues of main interest during the debates on the food program were the production of rice, food, and vegetables, the advancement of cattle breeding, and possibilities for self-sufficiency. Other issues discussed at this meeting were aspects of the Turquino Plan, the medical and pharmaceutical industry, and tourism, among other projects.

Government Concerned About Economic Crimes

PA1811153991 Madrid EFE in Spanish 0822 GMT 18 Nov 91

[Text] Havana, 17 Nov (EFE)—The Communist Party of Cuba [PCC] and the Havana Government are concerned about the increase in economic crimes, according to recent official statements and press reports.

The worsening of the economic crisis has increased prices in the flourishing Havana black market, where a dollar or a pound of beef are sold at 20 pesos, while a bar of soap or a pack of cigarettes cost 10 pesos.

The Cuban Government is performing "miracles" maintaining acceptable levels of supplies for the population. It has even purchased food and other consumer goods with dollars, but has not been able to defeat the thieves.

Government spokesmen have attributed the crisis to the double economic blockade imposed on the island by the United States and the USSR, describing the latter as an "involuntary" blockade.

The Fourth PCC Congress, which was held in October, dedicated one of its sessions to analyze economic crimes, for which Fidel Castro requested more severe punishment and specific solutions, instead of reviewing well-known cases.

The theft of food, money, and consumer goods, and the forging of documents are the main economic crimes, according to the Attorney General's Office.

Employees and officials in public commercial institutions use various means to acquire merchandise to be rationed among the population, which are resold up to 10 times the official price.

Government officials deplore the abolition of the accounting system in 1968, a decision which is considered "idealistic," and has resulted in the loss of a tradition of accounting efficiency.

During the past, the government has tried to implement economic controls as a mechanism for economic efficiency; however, those efforts have not been successful.

Trials against individuals implicated in thefts and embezzlement of state funds or resources—which now are given wide publicity—show that the lack of economic controls is the main cause for those crimes.

In 1990, the Cuban police conducted several raids against embezzlers and speculators, including officials of the government sector and branches of foreign enterprises established in Havana.

During the official "Operation Bell," police authorities arrested and initiated court proceedings against a significant number of citizens implicated in thefts and clandestine sales.

Authorities have admitted that the economic crisis could worsen in the next few months, which in turn could increase speculation. The public warnings against theft could mean that "Operation Bell" was only the beginning of an official offensive against crime.

Sunday's edition of the weekly JUVENTUD REBELDE dedicated one of its pages to an analysis of economic crimes, mentioning the case of a business administrator who stole 52,000 pesos (same amount in dollars) in 10 months.

Haiti

President Nerette Armed Forces Day Speech

FL1811225391 Port-au-Prince Radio Nationale in French 1723 GMT 18 Nov 91

[Speech by Provisional President Joseph Nerette, on the anniversary of the Army and the Battle of Vertieres, at the National Palace in Port-au-Prince—live]

[Excerpts] Distinguished members of the Senate, Mr. President of the Senate, Messrs. distinguished members of the lower chamber, Mr. President of the lower chamber, Messrs. Honorable Members of the Audit Court, Mr. Prime Minister, Messrs. distinguished members of his government, Mr. President and distinguished counselor members of the Audit Court, Mr. Brigadier General and distinguished members of the Army General Staff, officers, warrant officers, enlisted men, Haitians patriots home and abroad:

Today, the Haitian nation, a victim of misunderstanding and the great haste of some, is living, with courage, the darkest moments in its history. Today, the Haitian nation, weak and without resources, traumatized by all kinds of violence during the seven months of the lavalas [avalanche] government—uprooting operations, slaughters, pillaging, despoilments, necklacing—is just coming out of an unprecedented political adventure lead with an iron fist by several ecclesiastic men who abused their priesthood to deceive the masses and misused the legitimate aura of the Holy Catholic Church to preach no one knows what sort of cynical violence and social hate gospel. Today, the Haitian nation is vilified and denigrated without pity by its own sons who took refuge in several foreign embassies. Today, the Haitian nation is the target of political maneuvers conceived by the country's eternal enemies, those eternal incendiaries, cynical manipulators of naive crowds. [applause] Because of the ambition of a priest in good terms with foreign powers, today the Haitian nation has fallen prey to all sorts of miseries, hardships and frustrations, of all humiliation as a result of an unjustified embargo, imposed in defiance of the right to life of the poorest people of the hemisphere and of the world.

Today, the Haitian nation witnesses the appearance of a foreign threat, cynically demanded by several power-thirsty men embarked on an insane adventure. Today, the generals' oath, written in the Act of Independence of 1 January 1804, recreates in your minds the extraordinary atmosphere of the deeds of valor of the independence war and echoes in your heart with a deep echo and truth. [passage omitted]

Officers, warrant officers, and enlisted men: It was at Vertieres where you gained your national independence following a hard-fought battle and at the cost of your blood. [applause] If today, after only 200 years of independence, a Rochambeau [French general who lead the French troops during Haiti's independence war] of the end the century frantically throws himself into the tortuous paths of the Haitian political maneuvers by organizing systematic campaigns of disinformation and denigration against our national institutions, the proud Haiti that they want to make out to be the damned of the earth in the world's eyes, will continue to follow with courage the path of its tragic fate. However, at the end of this century, it (?will forget) the rigors of the Dessalinian reaction in light of the threats of the French military [words indistinct] against the young state and the severe embargo that France imposed on it. This end of the century also marks the end of the Rochambeau's. That is why all French people who are living in our little Haiti will continue to enjoy warm Haitian hospitality. [applause]

The oath of the generals today takes on a new meaning in these difficult times of our national life. It calls on all Haiti's sons, those living in the country as well as those living abroad, to rise above the untimely struggles, the low-level conflicts of interest, the frequent clamors that threaten even the foundations of Haitian society, and reach the high ideals that are foreseen for the world in the third millennium, throughout the planet. The independence—well understood and in the strongest sense—has become for Haiti a daily conquest. It is the rejection of all forms of alienation which too often cause shady deals with foreigners. It is first and foremost the willingness to coexist within a framework of true and constructive peace, the willingness to be ourselves, the willingness to organize ourselves to alleviate the effects of our economic (?independence), the willingness to work together with all intellectual and human resources for the progress of the community and the country within a spirit of discerning cooperation with all partners of the international community.

The oath of the generals reminds all Haitians, in and out of the country, of the vital obligation to always take the meaning of our history into account. It reminds all of us—wherever we may be—of the indispensable need to live in accordance with our motto of: In Union there is Strength. The oath of the generals today invites us to search for genuine democracy, not a participative and direct demonstration based on fear, uprooting, plundering, fires, slaughters, necklacing, but a representative democracy in which there is freedom of the national institutions, freedom of speech, the right to defense [word indistinct] within a climate of concerted action that benefits the development of the Haitian man in work, discipline, and reattained peace.

May the temple sellers who betrayed the teachings of love that their calling assigned to them, be banished.

Officers, warrant officers, enlisted men, men of the political class, members of the civilian population, and the social and professional sectors, inspired by the Battle of Vertieres and in the light of the oath of the generals: Submit yourselves to a private and rigorous examination of your conscience and make an honest assessment of the efforts you have made so far so that Haiti—with its [words indistinct] and its regained dignity—will never again move away from true democracy.

Thank you. [applause]

Government Communique on French Citizens Safety

FL1811203591 Port-au-Prince Radio Nationale in French 1600 GMT 17 Nov 91

[Communique issued by the Ministry of Foreign Affairs in Port-au-Prince on 17 November]

[Text] The Haitian Government seeks to point out to the French community that the communique issued on 14 November, in which the minister of foreign affairs declares the presence of Jean-Raphael Dufour in Haiti as undesirable, is not aimed at affecting the relations between the Haitian Government and the French Embassy, nor the friendship between Haitians and French in Haiti.

Therefore, in conformity with the agreements, treaties, and conventions binding the two states, the Haitian Government provides a formal guarantee that the same protection will be assured to the staff of the French diplomatic and consular missions in Haiti as well as to the embassy compound. The same measures are applied to the French citizens who, in these times of struggle, have decided to share the sufferings of the Haitian people, and respect their values, culture, and traditions.

French Envoy Recalled for Consultations

FL1811195591 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 18 Nov 91

[Excerpts] French Ambassador Jean-Raphael Dufour, whom the Haitian Government had declared undesirable, will leave the country on 19 November 1991 for Paris where the French Government has recalled him for consultations, according to what a diplomatic source told the AGENCE FRANCE PRESSE on Sunday 17 November 1991.

As we know, the deadline granted to Ambassador Dufour by the provisional government expired yesterday, 17 November, at 1700. Dufour's departure should allow a solution to be found which will calm the diplomatic conflict and preserve the interests and safety of the French community in Haiti, a country which—the observers point out—still has deep links with France. [passage omitted]

During the coup against Aristide, many members of the ousted government, including Rene Preval, took refuge with their families in the premises of the French Embassy. [passage omitted]

Finance Minister Beaulieu Comments on Budget

FL1811212791 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 18 Nov 91

["Report" on interview with Finance Minister Charles Beaulieu to unidentified Radio Soleil reporter; place and date not given]

[Excerpts] The 1991-92 budget amounts to 1.2 billion gourds. In an interview with Radio Soleil, Haitian Economy and Finance Minister Charles Beaulieu said this budget will give priority to the key sectors of the national life such as education, health, and agriculture. He announced that the government cannot count on foreign cooperation to increase the budget. This year, domestic resources alone will cover the budget and state expenditures will be reduced. Let us hear more details from Beaulieu:

[Begin Beaulieu recording] There are two kinds of resources that round out a budget: domestic and foreign resources. For the time being, we cannot count on foreign resources. We are working with our domestic resources. In the domestic resources, strictly speaking, we have resources from the General Directorate of Tax and the customs taxes. Very likely, the revenues will not be what we could expect if the situation were different, but we are already making the appropriate adjustments to reduce expenditures as well. We are trying to keep a permanent balance between our income and expenditures. [passage omitted]

We have the money to pay state employees without any problems not only for the next three months but also for the months after that. As I said, we will be forced to eliminate a number of nonessential expenditures to make this possible. In regard to paying the state employees' wages, there is no problem. [Words indistinct] we had included in the budget a number of expenses for the purchase of vehicles for the various ministries and state institutions. These expenses will not be made. We had included a number of expenses for public appearances and expenses for political events. Well, I do not have the details with me, but there are a number of political expenses that were included in the draft budget and which have been canceled. We have been forced to set these expenses aside and focus strictly on essential expenses such as paying the state employees, assistance to the needy families, education, health, and so forth. [end recording]

Mr. Beaulieu further stated in this interview that the political and economic situation of the country is very difficult. He believes this situation requires much equanimity and an open mind. He said he would do all he can to put an end to this crisis.

We must remember that on 12 November, the Assembly of Deputies accepted, with reservations, the draft budget for fiscal year 1991-1992. The reason given by the deputies was that the budget was not prepared jointly with the Superior Court of Accounts as established in Article 200, Section Four of the Constitution.

Communique Reorganizing Rural Police Issued

FL1811195491 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 18 Nov 91

[Communique issued by the Ministry of Interior in Port-au-Prince; date not given]

[Text] After consultation with the Ministry of Justice and the Council of Ministers, the Ministry of Interior announces that it has ordered the Army General Headquarters to apply the 13 July 1987 decree on the organization of the Army in the communal sections. The ministry has made this decision because of the kinds of acts that continue to occur in the communal sections and especially because of the measures taken by the former rulers to dissolve the rural police corps. The ministry wishes to announce that the new communal police agents must be chosen in consultation with the Communal Section Administration Councils, the population concerned, and according to the confidence those people have in the candidates for the position.

The Ministry of Interior communique says these measures will remain in force until a new law announcing the modifications to be made in the rural police corps is promulgated.

LRH Urges Supporters To Commemorate 18 Nov

FL1811211291 Port-au-Prince Radio Nationale in French 1600 GMT 17 Nov 91

[Text] The Haitian Resistance League [LRH] reiterates its congratulations to its supporters and takes this opportunity to ask them to participate, en masse, in the 18 November activities organized by the National Committee for Prayers. This date symbolizes Haitian resistance and must truly be commemorated by all social sectors to stress the epic Battle of Vertieres. The main theme is unity of the Haitian family. Let us not be afraid anymore. Strength through unity.

Trinidad and Tobago

UN Financial Aid To Support Haitian Refugees

FL1811222391 Bridgetown CANA in English 2109 GMT 18 Nov 91

[Text] Port-of-Spain, Trinidad, Nov 18, CANA—The United Nations High Commissioner for Refugees (UNHCR) will assume full financial responsibility for the support of Haitian refugees during their stay in Trinidad and Tobago, it was announced here on Monday.

The Trinidad and Tobago Government was asked by the United States to provide a temporary haven for some of the refugees who have been fleeing their impoverished country since the September 30 coup which ousted President Jean-Bertrand Aristide.

Prime Minister A.N.R. Robinson agreed to allow some of the refugees here until the United States finds a permanent solution to their plight. The boatpeople are currently being held on U.S. Coast Guard boats in the Caribbean Sea.

El Salvador

Rebels Declare Alert Over Government Offensive

PA1911044191 Paris AFP in Spanish 1756 GMT 18 Nov 91

[Text] San Salvador, 18 Nov (AFP)—The Salvadoran guerrillas announced Monday that their units are on a state of "maximum alert" in view of the Army's "offensive operations" and "lack of respect" for the unilateral truce the rebels initiated on 16 November.

Military sources have reported that 12 combatants, from both sides, have died as a result of clashes in recent hours, and the guerrillas have accused President Alfredo Cristiani of "yielding to the Armed Forces' warmongering sector" that is opposed to negotiations and that seeks a military way out of the Salvadoran conflict.

Commander Mario Alberto Mijango, commander of the Farabundo Marti National Liberation Front [FMLN] forces in Usulutan, in the eastern part of the country, has made a statement to the clandestine Radio Venceremos deploring the Army's taking advantage of the guerrilla truce to seize areas under rebel control.

Mijango said: "We are in the final stretch of the war." However, he called on the FMLN fighters to be "on a state of maximum alert" and to maintain "discipline and obedience" to counteract the Army's actions.

Saturday at 0000 hours, the FMLN went on an indefinite truce to create a climate favorable to the negotiations it is maintaining with the government of Alfredo Cristiani under UN auspices.

Radio Venceremos reported in its latest broadcast that Army operations in Guazapa (north of San Salvador) and in the departments of Chalatenango, San Vicente, Usulutan, and Morazan have continued as usual despite the cease-fire declared by the guerrillas.

In Chalatenango, Army Detachment No. 1 suffered five casualties when it attacked a guerrilla camp in Penas del Norte, Radio Venceremos reports. The rebel radio station also reported heavy mortar fire by the Army in El Jicaro, La Montanita, and El Maguey Cantons.

The FMLN clandestine radio station has blamed President Cristiani for this situation because he has "yielded to the warlike Armed Forces' sector" that wants a military way out of the conflict.

Commander Mijango, who has called on the political parties, businessmen, and the international community to demand that the Army "join the crusade for peace," has proclaimed: "We are living through a very important time: We are in transition from war to democracy."

Last Thursday, President Cristiani referred to the guerrilla truce saying that it is a sign of "goodwill" and that he, as commander of the Armed Forces, would announce measures to be adopted to respond in kind to the guerrilla gesture. However, today is Monday and there has been no official response to the FMLN truce.

Meanwhile, the Press Committee of the Armed Forces [Coprefa] has reported that clashes that took place between the Army and the guerrillas on Saturday and Sunday resulted in 12 dead from both sides. One of the most violent clashes took place in San Miguel Tepezontes, La Paz Department. Four soldiers and two guerrillas died there.

Three soldiers of the Army's First Brigade and one from the Atlacatl Battalion and two guerrillas died in a clash near Suchitoto, in the central department of Cuscatlan.

Coprefa also reported that in recent hours the guerrillas carried out three harassment operations in Las Vueltas and Tejutla, Chalatenango Department, and in Osicala, Morazan Department.

Meanwhile, the Lempa River Hydroelectric Executive Commission [CEL] announced in a paid advertisement published today that it sees "with pleasure the goodwill made evident" by the FMLN, which on Monday suspended its sabotage operations against the electrical system and halted its offensive operations.

CEL reported, however, that the rationing program will remain in effect.

Warns of Possible Clashes

PA1811202191 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 18 Nov 91

[Communique issued by the Farabundo Marti National Liberation Front from Guazapa Hill on 16 November]

[Text] The Farabundo Marti National Liberation Front [FMLN] Command at Guazapa Hill hereby announces that:

1. Effective 18 November, our military forces will adopt an eminently passive defensive stand, undertaking brief patrols around our positions.

2. As of 15 November, the Army has not only maintained its usual forces, but has increased its military presence. The entire Atlacatl Battalion is presently deployed at Guazapa Hill, as well as the 1st Infantry Brigade's Liberty and Panther Battalions and the Cavalry Regiment.

3. These government forces are not only being deployed to search for FMLN members, but are also occupying areas that will restrict our access to food supplies.

4. The attitude of the Salvadoran Armed Forces compels us to keep our troops on maximum alert, thus leading to the possibility of entering into combat with them within the next minutes or hours.

[Dated] 16 November 1991

Guatemala

President Describes Challenges of Administration

PA1811213091 Mexico City NOTIMEX in Spanish 1715 GMT 17 Nov 91

[Report by Jose Luis Castillejos]

[Text] Guatemala City, 17 Nov (NOTIMEX)—Guatemalan President Jorge Serrano Elias has stated that his government's biggest challenges are: the struggle against crime, the cessation of corruption, the renewal of credibility, and the consolidation of a firm and lasting peace.

Interviewed by NOTIMEX, the Guatemalan president noted that among his immediate programs, he has given priority to the implementation of programs to combat crime and has ordered the reorganization of the Judicial Branch and the strengthening of the Attorney General's Office and the Office of the Ombudsman for Human Rights.

Serrano maintained that the most important task was to reach a peace agreement with the Guatemalan National Revolutionary Unity (URNG) "that is not made out of paper. Is is an agreement that is based on reality and that will ensure national stability."

Under the current administration, the government and the guerrillas agreed, in principle, to discuss an 11-point agenda to reach a definitive peace in the country. This agreement was reached after a long process of rapprochement with political, economic, and social sectors that started in Oslo, Norway in 1989.

Serrano's administration and the URNG started direct talks in April 1991. The talks have been held with the mediation of the National Reconciliation Commission, which is headed by Monsignor Rodolfo Quezada Toruno. Serrano denied that the peace negotiations have been blocked on the topic of civil guarantees, which is the second part of the first point on the agenda that includes democratization and human rights. "The topic is a sensitive one and requires time," the president admitted. He added: "The government's position, however, is to yield and to have tolerance so that peace can be attained. However, this must result in the protection of the state's legality and legitimacy."

The problem of peace is not that simple. It is not only the end to an internal conflict that has been going on for more than 30 years, but we also must solve the causes of the war, Serrano added.

The Guatemalan president rejected the rebel's proposal to create investigative commissions for the human rights violations that have occurred in the country in the past years because, he said, "these commissions are already duly established within the Constitution." He also said he was not willing to take "old quarrels" to court because this would only rekindle them. "We want forgiveness and reconciliation," the president stated.

"More than basic problems, the talks with the URNG have had procedural problems. These can be overcome if both parties set their mind to it," Serrano asserted. He also proposed that the guerrilla fronts be disbanded at the same time that the government dismantles its counterinsurgency programs. "Counterinsurgency can only be justified if there are guerrillas. Once the guerrillas join the country's civilian life, this government program has no reason to exist," he asserted.

"We are willing to give them the protection they require and, in an effort to end the war, the government accepts international verification of its conduct through the United Nations," the president said.

Serrano also admitted that there are groups in Guatemala that are against the country's pacification. He did not identify the groups but did say they acted anonymously because "they do not have the courage to come out and say they do not want peace." He said that as long as the armed confrontation continues in the country, the government will not participate in regional disarmament or military reduction plans.

He refused to give the number of weapons held by the Armed Forces or the number of troops it has because, he explained, it is illogical "to publicize your force" when you are at war. However, he said it is the smallest army in the area and has much fewer weapons than any other country in the region.

He denied that his government has lost credibility "because I have never given the people false expectations. I am not weak, there is no vacuum of power, and the international arena has given me its total respect." When the current government came to power, the country had a 64 percent inflation rate and empty coffers. However, "today the inflationary rate is less than 10 percent and the state has $400 million in reserves," he explained.

"The time for Guatemala has come and we will take full advantage of it. We will make a name for our fatherland so that is mentioned with respect, love, and fraternity. This is not a dream. We will do this," he added.

Nicaragua

Assembly President on Property Law Reforms

PA1911024991 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 18 Nov 91

[Text] Today, after consulting with the 14 UNO [National Opposition Union] party leaders, and taking into consideration the current unfavorable atmosphere that has existed over the past few days due to accusations alleging [words indistinct].

For the members of the executive branch commission to have the additional time requested to conclude their discussions related to [property] reforms, I have decided that it would be advisable not to include this issue on the agenda for this session, as had been previously announced. In arriving at this decision, I also took into consideration the negative climate that surrounds all aspects related to discussion of this issue.

According to our calendar, the next plenary session is scheduled to take place on 26 November. If the executive commission concludes its deliberations sometime before this date and forwards its result to us, it will not be necessary to wait until 26 November. We could then call a plenary session before that date.

The objective is to try to resolve the property issue as soon as possible, it is hoped amid a better atmosphere and regardless of how the majority decides to vote. It does not matter if they vote one way or the other. That is what democracy is all about. Of course, I still do not discard the possibility that the executive commission could agree with our opinion. That is why the atmosphere that has existed for the past few hours has weighed heavily on the executive commission's decision to request additional time to work on the reforms.

[Reporter] What other factors, beside the negative atmosphere, influenced your decision?

[Cesar] Only one, the request for more time came from the executive branch commission....

[Reporter, interrupting] But you just said that one of the factors....

[Cesar, interrupting] Other factors include what has already been reported through the media since last night. This includes allegations that UNO deputies who have decided to support the presidential veto have been subjected to all sorts of threats, harassment, and so forth.

[Reporter] Is this not true?

[Cesar] It is absolutely false.

[Reporter] This week you plan to travel to Venezuela. Could the national assembly pass the law while you are away?

[Cesar] They could.

[Reporter] Could the National Assembly hold a session if you are not present?

[Cesar] Of course the National Assembly can hold sessions during my absence....

[Reporter, interrupting] Could they go ahead without you?

[Cesar] They can do anything without me. [Laughs]

[Reporter] You know, while you are away they could pass the law.

[Cesar] If the Assembly president is not present, the National Assembly can still hold sessions. However, three members of the board of directors of the Assembly are also traveling to Venezuela. The delegation includes myself as president, and the first and second vice presidents. With the three of us absent, they cannot pass the law.

[Reporter] What if you remain?

[Cesar] Then we can vote on it. By law, it is necessary to have five of the seven members of the board of directors present to hold a full session of the Assembly.

[Reporter] Then maybe you will decide to remain in Nicaragua?

[Cesar] Maybe.

Lacayo Calls Unemployment Country's Main Problem

PA1811222391 Managua Radio Nicaragua Network in Spanish 1815 GMT 18 Nov 91

[Text] Unemployment is Nicaragua's main problem and we must tackle it with all our means, said Presidency Minister Antonio Lacayo. To overcome the problem, it is vital that we hold a discussion with political leaders, he added.

[Begin Lacayo recording] I think the Catholic Church and the government have spoken out in that respect. If we all realize that we are brothers, we do not stir up problems in the streets. If we all realize that we are brothers, there is no room for the language of division. There is no room for the sort of commentaries we hear on some radio stations. These things do no good, and that is the plain truth.

The Sandinists are not going to get on an airplane—and you do hear people saying that they should go to Cuba—and the National Opposition Union members are not going to leave for Miami. No one is going to leave. Everyone is entitled to live here. Everyone was told by the Sandinist government during the transition and by this government on the day Mrs. Violeta Barrios de Chamorro took office that we had to move onward. Now is the time to get moving [words indistinct] or what will we leave? A country in (?ruins) or a strife-torn country.

No one wants that, but there is much polarization and useless discussion. Instead, we must begin to cope with problems. Just as two years go when we were faced with the problems of war and devaluation, and those problems were resolved, we are now faced with the problem of unemployment. Let us tackle that problem with the tools necessary to resolve it. That is why we must make optimum use of the public investments that will be made in 1992 and the credit we may be able to give to production so that production projects and increased agricultural and industrial activity can generate jobs for the unemployed. If we are pitted against each other or involved in legal or street skirmishes—such as the takeovers of enterprises—instead of settling our problems

through dialogue, we may be harming Nicaragua and missing the opportunity that history is giving us to have a 1992 that is truly productive for all Nicaraguans. [end recording]

Groups Issue Communique Rejecting Violence

PA1811200591 Managua Radio Sandino in Spanish 1200 GMT 18 Nov 91

[Text] On 17 November in Leon former Nicaraguan Resistance [RN] fighters, demobilized EPS [Sandinist People's Army] members, traditional fighters, and FSLN [Sandinist National Liberation Front] members rejected violent acts as a way to solve Nicaragua's crisis. These groups issued a communique recognizing the legality of the Armed Forces and public order and called on the media to refrain from inciting violence that will only bring destruction to Nicaragua. The groups also demanded that the government comply with the agreements already signed that give priority to land, legalization of property, financing, and opening opportunities for employment.

The communique was signed by Silvio Carvajal, on behalf of the former RN; former Lieutenant Luis Martinez Hernandez, regional representative for retired officers; Francisco Munoz, for the traditional fighters; Carlos Vella, for the ATC [Farm Workers Association]; Hector Sanchez, on behalf of former MINGO [Government Ministry] officers; and Alonso Porras, FSLN political secretary in Chinandega.

FSLN Deputy Reports Plans To Assassinate Him

PA1811220591 Hamburg DPA in Spanish 0029 GMT 18 Nov 91

[Text] Managua, 17 Nov (DPA)—Omar Cabezas Lacayo, one of the 39 deputies of the Sandinist National Liberation Front (FSLN), said on 17 November that there are plans to assassinate him. He implicated Deputy Government Minister Jose Pallais in those plans.

Cabezas, who was chief of the Political Directorate under the Interior Ministry (now Government Ministry) during the Sandinist government, said that the plan is to kill him and then claim that the Sandinists eliminated him.

"I have said before that terrorism is housed on the fourth and fifth floor of the Government Ministry (where the offices of Government Minister Carlos Hurtado and Deputy Government Minister Jose Pallais are located), and now that has been confirmed with the plot to kill me," Cabezas told local reporters.

Cabezas said that National Police Chief Rene Vivas promised him 24-hour police protection.

On 9 November Managua was the site of riots following an attack on the tomb containing the remains of FSLN founder Carlos Fonseca. During the riots the mayor's office was burned, several municipal vehicles were destroyed, and two people were killed.

After the incidents, the Government Ministry ordered police protection for the deputies of the ruling coalition [National Opposition Union] and some other government officials, which left the National Police short of personnel.

Last week the National Police began investigating the disorders in Managua and other Nicaraguan cities. Several people have been arrested and charged with disrupting public order.

This week opposition radio stations reported that the Presidency requested videos from Cable News Network and Univision television network in the United States, saying that President Violeta Chamorro was interested in seeing reports on the riots.

According to the opposition media, the videos have been used to identify and arrest people. The national media has criticized this action, saying that no local or foreign journalist should be at the service of state security.

Activists Take Over Granada Municipal Offices

PA1911035891 Managua Radio Corporacion in Spanish 2300 GMT 18 Nov 91

[Text] Activists from a group of agitators known as the Community Movement, led by Miguel D'Escoto Brockman, seized control of the Granada municipality this morning—reportedly to demand land ownership titles. Approximately 20 agitators, who identified themselves as members, of the Sandinist National Liberation Front Community Movement, entered the municipal offices, expelled the watchmen, and demanded land ownership titles to build their houses.

A small group that has identified itself as the Association of Retired Military Officers also demands the delivery of land in compliance with a pledge from the president.

Granada municipality councilmen tried to contact the Granada Police, but the commanding officers could not be reached by telephone. Meanwhile, the occupants announced that they would not relinquish the municipal offices until they receive a guarantee that they will receive land ownership titles to build their houses.

Police Repel Recontra Attack in La Trinidad

PA1811165891 Managua Radio Sandino in Spanish 1200 GMT 18 Nov 91

[Text] A group of 40 recontras led by chiefs "Zancudo" and "Rogelio" last night attacked La Trinidad's police precinct, in Esteli Department, in an attempt to take over the building and disarm the police. The police repelled the attack with the help of Sandinist People's Army troops in a clash that lasted 20 minutes, according to a report by Officer Adrian Gutierrez of the Esteli precinct.

The rifle fire caused some damage but no one was killed or wounded. The government met with recontra chiefs in La Trinidad two weeks ago to try to persuade them to disarm. La Trinidad is located 140 km north of Managua.

* Commentaries Accuse Extremists of 'Terrorism'

* Sandinist Demands Criticized

92CA0023A Managua LA PRENSA in Spanish 23 Oct 91 p 4

[Article by Luis Sanchez Sancho]

[Text] The most revanchist and extremist Sandinists are again threatening to destabilize the democratic government of Mrs. Violeta Chamorro. They are saying that if the government does not bend to its demands on various issues of public interest, they will unleash violence and plunge the country into political and social chaos.

This time the confrontational Sandinists are advancing several pretexts to justify their threats. The major one is that according to them the elections of February 1990 were fraudulent and that, therefore, the authorities who were elected at them (President Violeta Chamorro, the UNO [National Opposition Union] deputies, and the democratic mayors and councilmen) are illegitimate because, according to the magazine NEWSWEEK several former exiles received U.S. support to return peacefully to Nicaragua in mid-1989.

So, the Sandinists are asking Mr. James Carter, the main observer at the past elections, and Dr. Mariano Fiallos Oyanguren, the chairman of the Supreme Electoral Council, to declare last year's elections null and void and to reinstate Daniel Ortega as president of the republic. What lunacy!

Moreover, Messrs. Daniel Ortega and Luis Carrion have announced that they are going to rebuild the armed militias of the Sandinist Front and have threatened to unleash a campaign of terrorism against the anti-Sandinist population in response to the government's plan to establish a Municipal Police under the command of the Interior Ministry.

The Sandinists claim that the Municipal Police would be unconstitutional and that its establishment is part of a U.S. policy, and they accuse Violeta's government of having a criminal purpose: giving "revanchist mayors" paramilitary forces to wreak political vengeance.

The Sandinist leaders' argument is, of course, based on altogether false premises. The Political Constitution of the Republic empowers the government to establish whatever police bodies it deems necessary and appropriate to preserve law and order and assure the tranquillity of the country's inhabitants.

What the constitution prohibits is the existence of "more armed bodies in the national territory than are provided for by law, which shall regulate the rank and file of the military organization." The constitution nowhere says, of course, that the only armed bodies will be the ones that are controlled and bossed around by the Sandinist Front, as Messrs. Ortega and Carrion would like.

As for the police itself, the constitution provides that "the State creates the forces of security and domestic order, whose functions are determined by law."

As we can see, the government can establish, under a law that the National Assembly passes by a simple majority, police forces in the municipalities to help the National Police prevent and combat the growing crime wave that threatens to devour Nicaraguan society.

What is unconstitutional and even criminal is that 100,000 weapons of war are in the hands of irresponsible civilians. The Sandinist police and army chiefs must know where these weapons are and who has them, because they themselves handed them out. So far, however, they have made no real effort to recover them. What is unconstitutional and criminal is that the ringleaders of a party, no matter which one, are organizing or saying that they are going to organize private armed militias and are threatening with impunity the government and an unarmed, defenseless population.

This is terrorism, as the minister of the interior, Mr. Carlos Hurtado, rightly said last weekend at a press conference.

Finally, the revanchist Sandinists are threatening to cause rioting in the streets and to halt work at institutions and companies unless the sort of public-spending budget that they want is passed. All of this blackmailing of the government and the people who voted for change is no doubt what they mean by "governing from below."

Are these threats just blackmail or are the Sandinists prepared to try and overthrow the democratic government? How afraid are the Sandinists that the government will reach an understanding with UNO's legislative majority on the issue of property and the ensuing strategic issues of the democratic process? Are they trying merely to divert the people's attention away from the Sandinist pinata and the property law?

Only they know for sure, but the government and UNO must not allow themselves to be intimidated.

* 'Revanchists' Undermine Peace

92CA0023B Managua EL NUEVO DIARIO in Spanish 25 Oct 91 p 4

[Article by Francisco Bravo Lacayo]

[Text] In holding elections to choose new authorities, honoring the results of the elections, and transferring power to the new government presided over by Mrs. Violeta Chamorro, the FSLN [Sandinist National Liberation Front] demonstrated convincingly to the people

and to the entire world its steadfast devotion to peace and stability in the country.

It was a bitter pill to swallow, but swallow it did, and its gesture, unprecedented in the nation's history, won recognition from the international community, which found it hard to believe how a revolution that had successfully withstood military aggression from the most powerful country on earth could lose an election and then hand over power.

The world also looked on in surprise as this same political party, in spite of the adverse conditions imposed by the destruction of the national economy and the erosion of its own political support, was not only not swept aside completely but even managed to win 41 percent of the vote.

Since the FSLN had respected the will of the majority, the logical and democratic thing would have been for the new authorities, in strict obedience to the same will of the people, to respect the vote of the minority and prepare to govern while taking this major segment of the nation into account.

We must acknowledge that one segment of the government has willingly or unwillingly taken this approach. This is not the case, however, with another segment, a loudmouthed, revanchist segment that from the beginning has shown disrespect for the popular vote and the republic's laws. It has even conspired against the president of the republic herself through all sorts of rioting and sabotage for the very obvious, albeit not admitted, purpose of staging a coup d'etat against her.

The revanchists are pursuing a terrorist policy that openly seeks to destabilize the government both in the city and the countryside.

Supporting the workers' struggles to throw off the straitjacket that the government wants to put them in on the "recommendation" of the International Monetary Fund and that has them on the verge of despair, the Sandinists have said a thousand and one times that their objective is to defend the workers, not overthrow the government.

The defense of the people's interests is part of the struggle to consolidate peace and democracy, which are unthinkable if the people are starving to death, exposed to the fangs of a Neanderthal capitalism.

Alfredo Cesar and Arnoldo Aleman have turned the National Assembly and the Managua mayor's office into terrorist centers that are not only threatening the population with unconstitutional laws and brutal taxes but also, driven by their paranoia, are seeking to create paramilitary forces exclusively to further their personal ambitions.

No one here can mistake who the real terrorists are, because no one can equate the attackers with those who are just trying to defend themselves.

Panama

U.S. Attitude on Foreign Debt Criticized

PA1811212191 Panama City LA ESTRELLA DE PANAMA in Spanish 18 Nov 91 p A4

[Editorial: "The U.S. Position Toward Our Foreign Debt]

[Text] Panamanians will never be able to understand the attitude of the United States toward our country's large foreign debt. Feelings of esteem and solidarity seem to flow only in one direction. There is no reciprocity of any sort. Historically Panamanians have always shown their friendship and full identification with the United States. In fact, the rulers of that nation have on many occasions claimed the right to decide our fate. The political, economic, moral, and social crisis in Panama prompted U.S. rulers to meddle in our internal affairs, which led to the bloody invasion of December 1989. Before the invasion they imposed a severe blockade against our country to force former leader General Manuel Antonio Noriega to leave the government. It is impossible to determine the economic and political damage inflicted on our compatriots before and after the invasion.

As a result, Panama was left in economic ruin. It needed special aid from abroad, and because the United States had intervened in our country, it was the country most morally obligated to supply that aid. We have not been able to conceal our frustration over the U.S. position toward our country despite the destruction that nation brought upon us. The United States gave us ridiculous amounts of aid; much smaller than expected and not comparable to the amount of economic and moral damage it caused. Worse than that, part of the aid was subject to humiliating conditions that no self-respecting government should accept. While we received that kind of treatment, the whole world saw the United States give millions in aid to other nations that had not been harmed like ours had. A portion of the foreign debt of some of those nations has been pardoned. There are sufficient examples of this unselfish U.S. attitude. The foreign debts of Egypt, Israel, Saudi Arabia, the USSR, Mexico, Chile, Argentina, Brazil, El Salvador, Costa Rica, and recently Honduras and Nicaragua, have been subjected to this treatment.

Although Panamanians have been the victims of a U.S. invasion and blockade, we are being forced to pay our foreign debt without one penny of it being pardoned. Panama's large foreign debt deserves, with greater moral reason than any other nation, to receive special consideration. The government did not dare condemn the invasion, much less demand compensation for the damage caused. Perhaps we have not received one atom of consideration and respect because of this servile and submissive attitude.

It was enough for the United States to have toppled one government and have replaced it with another. It is shameful that, while other nations receive pardons on part of their foreign debts, our nation, which was destroyed by a

blockade and an invasion, is being suffocated and forced to pay every penny of it amid an economic crisis. It is a position that we do not understand because it comes from a nation with which we are linked by common interests and traditional ties of friendship.

The government has concentrated on paying its foreign debt. In complying with this commitment, many social programs for the people have been sacrificed. We are facing some of the worst calamities in our history. Against this background, we understand even less why the U.S. Government, which contributed to our economic woes, has pardoned part of the foreign debt of other nations while Panama is forced to comply with its full commitments. We do not deserve this treatment or this fate.

Argentina

Menem Announces More Investments From U.S.

PY1811221891 Buenos Aires TELAM in Spanish 1707 GMT 18 Nov 91

[Text] New York, 18 Nov (TELAM)—President Carlos Menem stated today that he is "very much satisfied" with the result of the meeting with important U.S. businessmen and added that "a great flow of investments will begin soon in Argentina."

During a news conference at the Waldorf Astoria Hotel, President Menem said extended credit terms are expected to be announced very soon by the IMF, and when that credit is ready, "within the first quarter of next year, we will be able to say that Argentina will be on the path toward the Brady Plan."

Menem attended a dinner given last night by Secretary of Commerce Robert Mosbacher, along with Foreign Minister Guido di Tella and Economy Minister Domingo Cavallo.

Representing the business sector were AMR Corporation Chairman Robert Crandall, Trust Corporation of the West Chairman Robert Day, Citicorp Chairman John Reed, Texaco Chairman James Kinnear, KKR [Kohlberg Kravis Roberts] Chairman Henry Kravis, CSA [expansion unknown] Chairman John Snow, Reliance Group Chairman Saul Steinberg, and Ford Chairman Harold Poling.

President Menem said: "Some of the businessmen asked a few questions on the current Argentine situation. Others who are already there, know about it."

"Those who already have investments are willing to expand them. The others are ready to travel to Argentina in order to begin an investment process. They are very important businessmen and the conversation was very pleasant," the president said.

It was "an exceptional environment. There is much faith, much surprise for Argentina. I believe that with the agreement on investment guarantees it will be easier to allow a great flow of resources toward our country," Menem said.

Regarding the Cuban case, he said that "without meddling, we are asking for a democratic way out to a process that has lasted 30 years. We want the Cuban people to elect their representatives. We are requesting it through the appropriate channels, with good manners."

Menem added that the Argentine position "has the precedent of the positions taken by other governments in America and in the world." He said: "This has been done with other totalitarian regimes. We must not forget that when Alfredo Stroessner was in power, he received the same types of petitions, and we must remember how the Stroessner regime ended."

If "other totalitarian countries have been asked so much to democratize themselves, I do not see why the same cannot be done with Cuba," said Menem, adding that the Argentine stance has not damaged relations at all with other nations in the hemisphere such as Colombia, Mexico, and Venezuela, which have a different stance.

He added that this was the issue he discussed yesterday afternoon with exiled leaders from Cuban organizations who visited him.

Concerning the situation in Haiti, Menem said Argentina "has a very clear position." Menem noted: "We expect that Jean-Bertrand Aristide will again be the president of Haiti very soon."

Aristide was overthrown by a military coup on 30 September 1991 and now is living in exile in Venezuela.

Menem was asked if the Argentine position's change from anti-Americanism to pro-Americanism "does not go against the essence of Peronism." Menem said: "The problem is that people play by ear. People do not have an in-depth knowledge of Peronism, of what happened in Argentina, of what is happening."

Menem recalled: "The issue of anti-Americanism, as you call it, is 100 years old. It was raised when the OAS was established. Argentina had problems with the United States and got on well with Great Britain, with the European countries. Yet this has changed since the 1940's."

The president said: "There were some conflictive situations such as the appointment of Spruille Braden as ambassador, but, after this conflict was overcome during General Peron's government, things improved substantially and the level of relations between the United States and Argentina was enhanced."

Menem emphasized: "Peron opened the economy for the United States and signed petroleum agreements. Afterward, a U.S. President, Dwight Eisenhower, visited us. Then came the 1955 coup and things returned to their previous state. Gen. Juan Peron was the one who refloated our relations with the United States in a brief period of time."

Menem stressed: "Current Peronism is a totally updated Peronism. The U.S. Democratic Party or Republican Party are not as they were two or three decades ago. If the world changes, the political parties must change. I would be a fool or a slow-witted person if I wanted to practice in 1991 the Peronism practiced in the 1940's."

Regarding the meeting with Federal Reserve Board President Gerald Corrigan in New York, the president said: "We continued discussing financial issues. The Central Bank reform law already has been issued and it is important to talk with the Federal Reserve to try to reconcile all Argentine financial legislation or try to draw a parallel between events in Argentina and the Federal Reserve in the United States."

Minister Cavallo on Brady Plan, Stock Exchange

PY1811141491 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1333 GMT 17 Nov 91

[Text] Buenos Aires, 17 Nov (NA)—Economy Minister Domingo Cavallo has said that Argentina may join the Brady Plan during the first half of 1992 if, by that date, it obtains the expanded facilities loan. He also said that the foreign debt "negotiations with the commercial banks may conclude by mid 1992."

Cavallo said that the visit by an Argentine delegation to Washington, "will encourage the flow of investments since "more U.S. companies will be interested in the privatization process." [quotation marks as received]

In an interview published in the PAGINA 12 daily, Cavallo was asked how much Argentina must pay for its pending debt after joining the Brady Plan. He answered: "That is a secret because it is part of the negotiating strategy." He said that once the negotiations are over, Argentina will begin "to have access to new voluntary credits." He did not rule out the possibility that the amount of fresh money "may be greater" than that which must be paid.

Cavallo said that following the approval of an IMF stand-by [preceding word in English] loan, Argentina is paying a net "2.2 percent of its Gross Domestic Product [GDP]" while between 1983 and the first half of 1991 Argentina paid "an average of 4 percent of its GDP."

The economy minister stressed the importance of the foreign debt negotiation because he considers that an appropriate atmosphere for investments and internal security will not be attained as long as the country continues "to fall behind in its commitments with the international banks."

Evaluating the trip to Washington, Cavallo was optimistic about attracting more investments which will in turn encourage competitiveness. "President Menem's trip to the United States, plus others he will make, will further awaken interest in Argentina," Cavallo forecasted while in the United States. Cavallo labeled the repercussions in the United States of the deregulation decree as "excellent," adding that "it was one of the aspects that caused the best impression." He said that nobody questioned the fact that Congress was not consulted over passing the decree; on the contrary, "the fact that the government has had the courage to dump many regulations" is regarded "with admiration."

When asked why the stock exchange transactions dropped in the past few days, Cavallo said it is logical that if one day it climbs 10 points, it could drop four points the next day. He confirmed, however, that the government prefers a gradual increase in the stock exchange because this helps to attract foreign capital.

In another demonstration of optimism he asserted that there will be a "very positive" trend in the stock exchange. Cavallo said that those prices which have been increased excessively "will drop since the demand will slacken." He said that in the fields where prices affect the people's pockets "the reactivation will continue." The minister said he believes that a reduction in demand for some products will not cause a recession, stressing that he likes people "who do not buy haphazardly."

He said that the government is "very worried" over the poorer sectors, and quoted a Chinese saying: "Instead of giving fish to a hungry man, teach him how to fish." He thus referred to the need "to create the conditions in which the people can solve their own problems."

IDB Grants Loan for Transformation Process

PY1811170091 Buenos Aires LA PRENSA in Spanish 16 Nov 91 p 1

[Excerpt] Washington (TELAM)— President Carlos Menem has said that his country "now represents a new Latin America, undergoing a transformation that could become a point of reference for the world." He thus thanked Enrique Iglesias, chairman of the Inter-American Development Bank [IDB], for a $490 million loan that the IDB has granted to Argentina. The loan was granted yesterday to help in the "current historic transformation process," Iglesias said.

A $325 million credit, announced in advance yesterday in LA PRENSA, is earmarked for the public sector and "will help to strengthen the economic growth by reducing the fiscal deficit." It will also help finance the Central Bank reform program "so that it can give up public financing and become an effective monetary institution."

Increased fiscal income will be achieved through greater income tax and value added tax revenue, improvements to the tax and customs administration, and reductions in subsidies for the industrial sector.

Two other credits, including one worth $165 million, "will financially and operationally strengthen the provincial institutions that provide electrica power." These credits will permit investments that will reduce operational costs, recover the quality of services, and meet the increasing demand.

It will also promote the creation of autonomous provincial institutions to provide services where needed.

The loan for the public sector will be repaid in 20 years, with a five-year grace period and a variable interest rate, which now stands at 7.89 percent. The loan for the electricity sector will be repaid in 20 years with a six-year grace period, also with a variable interest rate.

Iglesias added: "We are aware of the political courage, the sacrifices, and the efforts being made in Argentina in the quest for transformation. But everything is done on a short-term basis. We are convinced that the future of Argentina will be like its past, more dynamic and more brilliant than its current state, both in Latin America and in the world." [passage omitted]

Senate Passes Employment Reform Law

PY1511232891 Buenos Aires BUENOS AIRES HERALD in English 14 Nov 91 p 1

[Text] (NA-DYN)—Yesterday, the Senate finally passed the controversial law for employment reform which has been under parliamentary debate for the past 21 months.

The law will whitewash the social security status of companies agreeing to normalize under-the-counter wage payments, and sets a severance pay ceiling for employee dismissals of up to three months per year of service.

Under the law, the government will also create an unemployment insurance fund and set the amount of dole payments by decree within 60 days. The initiative, passed in October by the Lower House, was approved with the votes of the Justicialist, San Juan Bloquista and Neuquen Popular Movement blocs, as well as Senator Juan Aguirre Lanari from the Corrientes Liberal Party. The Radicals voted against the bill, which was drafted two years ago by Labour Minister Rodolfo Diaz (labour secretary at the time under former Minister Jorge Triaca).

The law aims at flexibilizing the workforce and normalizing the situation of 2.5 million workers devoid of social welfare benefits, who consequently do not pay the corresponding welfare and pension contributions. It also hopes to provide jobs for some 800,000 unemployed and over a million underemployed workers in urban areas.

Under the labour flexibilization scheme, companies may hire up to 30 percent of their workforce on six to 18-month contracts. Six to 24-month contracts will be allowed to get new enterprises off the ground while youths under 25 years of age may be hired on training contracts of between four months and two years.

Severance pay for dismissed workers cannot exceed three months per year of work or drop below one month for each year.

Earlier in yesterday's session, the Senate approved and handed over to the Lower House a draft law which deputies passed near midnight reducing the special retirement pay of government officials, legislators, judges, teachers and members of the foreign service to 70 percent of their original values, which the To [as published] obtain the special benefits, members of the three branches of power must be either 60 years old, have 30 years seniority or 20 years' worth of pension contributions. National legislators and City Council members must have held their seats for four years while those in the other branches of government need only two years in office.

Newly-Approved Law Evaluated

PY1811211091 Buenos Aires LA PRENSA in Spanish 17 Nov 91 Economic Section p 1

[Report by by Alejandro D. Quiroga]

[Text] The approval of the employment law will clarify in practice the good and bad points of this improved regulation. A great deal has been written about its scope. Some people have labeled it a "necessary law," others as the law of "labor flexibility," and some as the law that does away with "labor gains." The truth is that it is none of these. In reality, this law belongs to a hybrid category typical of a shameful capitalistic model.

I believe that this is a first step introducing some limited improvements for creating jobs, and some frankly negative institutions and regulations. Beyond that, I have confidence in President Menem's desire for change and in the wisdom and power of the market. These are important factors that will have an influence on the degree of flexibility and freedom needed in the labor sector to improve production and the well-being of workers, employers, and consumers.

The main aspects of the law are: 1. new contracting methods 2. severance pay ceilings for dismissals 3. Forgiveness and punishment for under-the-counter wage payments 4. employment insurance and subsidies 5. admission for all women to night work 6. restrictions on collective dismissal or suspension of workers.

It would have been reasonable to reestablish the traditional level of three minimum salaries per year of seniority, as it was in the past. Although this is not the best, it would have been an improvement.

Regularization of Employment

This chapter of the law aims to discourage the informal or under-the-counter work. Two different measures are established for that. One measure allows the possibility of forgiving the current informal labor relations, which can be done within 90 days of the law's approval. This solution is correct and should be praised. The other measure establishes strong sanctions, such as indemnization for workers who bring charges against employers in these cases.

In this point, the law is going in the wrong direction because it does not deal with the real causes that lead to this situation, such as labor costs and the low benefits received by workers (social works, pension, family allowances, housing), which are the reasons that employers and workers agree on informal employment.

It also should be mentioned that the implementation of the majority of the reforms established by the law depends on the promulgation of a regulation, in other cases on its approval by the collective work agreements (methods of contracting) or on concrete administrative acts (severance pay ceilings for each activity)

New Contracting Methods

The law's best part is the new contracting method, which includes a partial reduction of the employers' contribution. This method was taken from Spanish legislation and has been named: "fixed-term contract as encouragement for employment," "fixed-term contract for starting a new activity," "labor practice contract for youth," and "work training contract."

Clandestine employment exists not because there are no sanctions against it—the penal code sanctions it—therefore, the draconian indemnization does not help. On the contrary, it is a greater reward for evasion. It is a serious threat in the cases of doubtful dependency.

Unemployment Insurance

Another innovation included in the law is the creation of unemployment insurance and an unemployment fund. The system establishes that the employee and the employer will pay a contribution so the employee could resort to the fund in case he is fired.

This insurance does not imply the derogation of the indemnification subject to tariffs resulting from a dismissal, which is an unreasonable supposition.

Although this system appears desirable, it is not acceptable that it should be implemented through the payment of a new tax imposed on the worker (1 percent), let alone when the rest of the social security benefits do not meet the minimum demands.

Unfortunately, this advantageous term in the law will not take effect with its promulgation because it will depend on the Collective Labor Convention, that is, the appropriate union should approve its effectiveness. As an alternative, the law provides that the implementation of these contracts can be authorized by the Labor Ministry in areas seriously affected by the lack of jobs, a situation that could include the entire country.

After these contracts are approved by the Labor Ministry, the following conditions should be respected:

1. A six- to 18-month term (promotion of employment); six to 24 months (launching of a new activity); a term of no more than 12 months (labor training for youths), and four to 24 months (work training).

2. Total number of workers to be contracted: 30 percent of the personnel in enterprises of more than 25 employees, 50 percent in enterprises of six to 25 employees, up to three in enterprises of one to five employees, and one in enterprises without employees.

3. Permanent posts that have been vacant in the past six months will not be filled.

4. The number of employees must exceed the average permanent staff of the past six months.

5. Enterprises will not be allowed to dismiss employees within the next 12 months.

6. Companies will not be allowed to successively contract and dismiss workers. (except when demanded by working conditions or training practices).

7. Formalities: The dismissal will be done in writing, with copies to workers, the union, and the Labor Ministry. (United System of Labor Registration)

There is no formal study attached to the project for an evaluation to determine the minimum salary that will make the insurance work.

The situation is even more in doubt if we recall that proponents of the bill have changed their minds several times. The draft of the November 1989 Employment Law contemplated a contribution of 6 percent on the amount of the salary. The new proposal contemplates 2.5 percent (0.5 percent is contributed by workers, 0.5 percent by employers, and 1.5 percent will be deducted from resources currently allocated to Family Allowances Funds).

We think it will be more realistic to grant workers a transitory unemployment allowance—without previously determining the amount—financed by the Family Allowance Fund, which will have the advantage of helping those who currently are unemployed and will not have access to the insurance as long as they remain unemployed.

Air Force Chief of Staff on Pampa Planes

PY1511144291 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1333 GMT 15 Nov 91

[Text] Washington, 15 Nov (NA)—Brigadier Jose Julia, the Air Force chief of staff, today said that Argentina is "perfectly" capable of producing the Pampa planes which may be purchased by the United States and by NATO.

"We formed a partnership with an enterprise that produces planes. The delivery of 900 planes to the United States should take place between 1995 and 2002," he said.

He said: "The calculations have been made and we are perfectly capable of producing them."

He explained that the planes "could be fitted with a hook and thus be operational on aircraft carriers."

Julia spoke today after he and President Carlos Menem had met with Defense Secretary Richard Cheney.

Concerning the participation of the Air Force in the antidrug struggle, he explained that during the meeting he said "that the mission of the Air Force, which is established by the Constitution, is to defend Argentina's airspace."

He added that an executive branch decree has assigned another task to the Armed Forces. Under the terms of the decree, the Armed Forces "must support the security forces in the antidrug fight."

He said: "There is a third task, which involves the participation of Argentina in international conflicts when asked by the United Nations."

Julia said that Argentina has asked for U.S. logistic support in the antidrug fight through the provision of helicopters, Hercules planes, and special photographic cameras for taking pictures of farms.

During the meeting with Cheney, Julia asked for "A" and "D" series F-16 fighters. These are the latest generation of planes which are very fast and maneuverable, and are used for air defense.

He said that other items were requested for the antidrug fight, but the fighters were requested exclusively for defensive purposes and for properly equipping the Air Force in case the United Nations requests help in an international conflict.

Concerning the Pampa plane, which is produced by Argentina in partnership with U.S. enterprises, Julia said that the United States and NATO might buy 900 planes, which could mean an investment of some $10 billion.

Nuclear Plants Reported Operating Efficiently

PY1811200891 Buenos Aires TELAM in Spanish 1453 GMT 17 Nov 91

[Summary] The Atucha 1 and Embalse nuclear plants are operating efficiently and have proven to have a very high yield. National Commission for Atomic Energy authorities issued a news communique stating that these nuclear plants have produced a total of 70,000 kilowatt-hours of energy from the day they began operating through October 1991. This is equivalent to the total energy produced in a year and a half by the Argentine interconnected system.

New Army Chief of Staff Balza on Army Role

PY1811223091 Buenos Aires TELAM in Spanish 1255 GMT 17 Nov 91

[Text] Buenos Aires, 17 Nov (TELAM)—Army Chief of Staff General Martin Balza has said that, on the basis that conflicts are inherent in every society and that it is improbable that they will be definitively overcome, the basic mission of every armed force is to be an effective tool to protect the interests of the nation to which it belongs.

Upon explaining its role, after his recent inauguration as Army chief of staff, Gen. Balza said the Argentine Army must profit from the analysis of the positive and negative events resulting from the Malvinas experience.

In this regard, Gen. Balza included among the positive events "the leadership ability and cohesion of our Armed Forces, which maintained their discipline despite their defeat."

Concerning negative events, Gen. Balza said: "We confirmed that our doctrine did not agree with our country's real possibilities and situation" because "it was a doctrine from another country, for another country."

Gen. Balza said: "Now we must profit from these studies and promote modernization and reorganization" because "we are sure that the future Army will be more efficient" and "it will be more appropriate for the requirements and possibilities of national defense."

In remarks published in today's issue of the morning newspaper CLARIN, the Army chief of staff said the Army must "become a credible deterrent element" and recalled that, during the American Armies Conference, he noted that "the principal issue is to preserve the permanent missions of our armies in connection with the particularities of each country."

Gen. Balza noted: "If we manage to optimize the means, we will be achieving a good deterrent force." He indicated: "Our next Army will be smaller in number of personnel but more efficient as far as operational capabilities are concerned" after the inclusion of "new technology."

Moving on, Gen. Balza said that during the repression of the 3 December uprising at the Patricios Regiment, "I carried out an institutional mission since I was carrying out the government's orders to restore the effectiveness of constitutional order with the lowest cost possible."

"I believe that there cannot be any interest higher than that of the nation itself," the Army chief of staff noted. Afterward, concerning the painted faces, he indicated that we Army members "want to be very prudent at a time when officers and noncommissioned officers have been sentenced. Some of them have received very severe sentences, have lost their military rank, and have been deprived of their freedom."

In conclusion, the Army chief of staff said: "We Army members—including himself, obviously—are not the enemies of anyone, especially not of comrades." [quotation marks as received]

Appointment of New Justice Secretary Noted

PY1811180291 Buenos Aires LA PRENSA in Spanish 16 Nov 91 p 3

[Summary] The government has appointed Osvaldo Daniel Castruccio, the current under secretary for registry affairs, as the new justice secretary.

Bomb Attacks Protest Mendoza Deregulation Bill

PY1811220491 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1243 GMT 18 Nov 91

[Text] Mendoza, 18 Nov (NA)—Unofficial police sources reported today that two bombs exploded here during the night, causing light damage and no victims.

One bomb exploded between two and three in the morning in front of the Public Notaries School on Patricias Mendocinas Avenue. The second bomb was

thrown from a moving car on the sidewalk of Eduardo Garrido's private residence. Garrido is the president of the Mendoza Taxi Owners Association (Aprotam).

The violence this morning is apparently part of a protest by public notaries and taxi drivers against the provincial government deregulation bill—which already was approved by the Senate. Last week taxi drivers and owners staged two noisy demonstrations against the bill.

The incident was aggravated by the few police patrols on the streets because local police security personnel confined themselves to their offices, and the rest of the police department only is doing necessary work, in support of salary demands.

The bombs were apparently home-made, not too powerful, and they only caused minor damage to the Public Notaries School and broke some windows in Garrido's residence, where the bomb did not even explode exactly in front of the house.

Rural Confederation Supports Economic Measures

PY1811164691 Buenos Aires TELAM in Spanish 1924 GMT 17 Nov 91

[Excerpt] Buenos Aires, 17 Nov (TELAM)—The executive board of the Argentine Rural Confederation (CRA) has unanimously decided to support the economic deregulation measures implemented by Carlos Menem's government.

Following a lengthy debate, the CRA's executive board defined its position regarding the economic "liberation and transformation process" which it labelled "transcendental."

The CRA later issued a declaration in which it states that it has "been advocating the urgent need to reduce the size and the intervention level of the state in the life of the country through the privatization of public enterprises," among other measures. [passage omitted]

Bolivia

U.S. Ambassador's 'Joke' Prompts Criticism

PY1911001491 La Paz PRESENCIA in Spanish 14 Nov 91 p 1

[Text] A challenging "joke" by U.S. Ambassador Richard Bowers, who offered to go himself with a machete in his hand to the Chapare region to eradicate the coca crops while emphasizing that U.S. aid will be suspended if the government does not eradicate 7,000 hectares of coca crops by the end of this year, yesterday put the government in a serious fix and elicited a wave of criticism from the political and trade union opposition.

Oscar Eid, deputy leader of the Movement of the Revolutionary Left (MIR), made an attempt to downplay the importance of the ambassador's jocose, but hard, warning. Meanwhile, coca producer' leaders and opposition congressmen lashed out both at the ambassador for his "contempt for Bolivian sovereignty" and at the government "for not defending it."

To make things even worse, a report by the private U.S. organization Washington Office for Latin America [preceding five words in English], WOLA, yesterday harshly lashed out at the U.S. Government's antidrug policy in the Andean countries, describing it as "a failure" because it did not achieve the reduction of coca production.

WOLA, which warned about the risks to human rights in the Andean region as a result of the antidrug struggle sponsored by the United States, seemed to join the numerous objections to that policy that the Bolivian opposition raised yesterday.

Nevertheless, both Eid and the opposition congressmen agreed in pointing out that it will be impossible to eradicate the targeted 7,000 hectares by the end of this year.

According to official reports, Bolivian peasants who are growing coca plants have accepted removing only 4,500 hectares of coca plants by late October, at an average of 450 hectares per month. Theoretically, the government has a little more than one and one-half months to persuade them to eradicate another 2,500 hectares by the end of the year, at a pace that is three times as fast.

The producers, however, are increasingly reluctant to eradicate the coca plants, arguing that the offers for alternative development are not being fulfilled.

Minister Confirms Repentance Deadline 26 Nov

PY1611190291 La Paz Television Boliviana Network in Spanish 0200 GMT 16 Nov 91

[Text] The deadline for drug traffickers to voluntarily surrender to the government under the terms of the repentance decree is 26 November. A false report on an alleged kidnapping circulated today. The National Police are investigating a holdup at a money exchange and terrorist attacks. Interior Minister Carlos Saavedra Bruno today commented on these and other issues.

Saavedra said the repentance decree thus far has yielded positive results but that this does not mean that it will become a law or that the deadline will be extended. He added that studies are under way to design the tactical moves to be made after 26 November.

[Begin recording] We are outlining the new steps we will have to take in the short term in our antidrug fight. More than outlining a strategy, which the Bolivian Government already has, we are trying to see the basic tactical aspects we will be using in the short term in our fight against the drug trade. [end recording]

Regarding the alleged kidnapping of a hardware store owner on 23d Street in Calacoto at 0830 today, Saavedra

said the report was just a false alarm. He also reported that a police task force is trying to locate the perpetrators of the money exchange holdup and of recent terrorist attacks.

Foreign Minister on Upcoming Antidrug Summit

PY1511234691 La Paz EL DIARIO in Spanish 6 Nov 91 p 5

[Text] When asked what position Bolivia will adopt during the upcoming antidrug summit to be held next February in the United States, Bolivian Foreign Minister Carlos Iturralde said: "Bolivia will request that the Bush initiative be fulfilled and will raise the subject of the Group of Seven's participation in the antidrug struggle."

U.S. President George Bush and the chiefs of state of the Andean countries will meet during the summit. In this regard, Iturralde disclosed that Bolivia already has started to form the teams that will be in charge of preparing all the necessary documents but that, in truth, the documents related to the Bolivian position will not be prepared until December.

The minister explained that the summit will address all aspects of the Initiative for the Americas, alternative development, and interdiction, among other subjects.

Iturralde added: "This meeting is very important because, in addition to the Andean countries that participated in the first summit on the subject, Ecuador, Venezuela, and Mexico will participate."

Regarding the fulfillment or nonfulfillment of the agreements reached with the United States during the Cartagena summit one year ago, Carlos Iturralde said that they were fulfilled, although not completely.

The minister said: "What failed to be achieved was the participation of other member countries of the Group of Seven and the EEC that are doing so through the United Nations, but this is precisely why we are going to discuss the subject of alternative development with the Paris Club."

When asked about the peasant sector's and opposition political parties' concerns regarding the disbursement of funds earmarked by the United States to compensate for the eradication of coca plantations, he said this concern is legitimate because there is nothing definite, and although 44 million [no currency specified] already have been disbursed, we still have to see what will happen with the remaining 22 million.

During the past few hours, the Colombian ambassador to Bolivia criticized the poor treatment of alleged drug trafficker Guillermo Betancourt, who died in San Pedro Prison. The ambassador might ask the Foreign Ministry for an investigation in order to determine who was responsible for his death.

In this regard, Minister Iturralde said that he has not received any official request from the Colombian Embassy but that in order to determine whether or not the charges were true, he had phoned the interior minister, who said Betancourt had received all the necessary medical assistance.

Iturralde ended by saying: "However, as soon as I receive the embassy's request, I will submit it to the Interior Ministry, which, in turn, will send it to the prison authorities."

Terrorists Blow Up Power Towers in Lagunillas

PY1811215691 La Paz PRESENCIA in Spanish 14 Nov 91 Section 2 p 1

[Text] Oruro, 13 Nov—A terrorist attack has destroyed one National Electricity Enterprise (ENDE) power tower and damaged two others. According to Prefect Walter Soto Luna, the attack occurred in Lagunillas (north of Potosi), 140 km from Oruro, on 11 November.

The incident is being investigated by state security organizations. It was established that various explosions occurred on 8, 9, and 11 November. The explosions seriously damaged towers 53 and 86 and destroyed the base of tower 52, which fell to the ground.

The repair of tower 52 will be costly, although the amount was not specified. Electricity is supplied through the 115-kilowatt Catavi-Potosi power line; however, it was not interrupted, according to Prefect Soto Luna.

The prefect told PRESENCIA that terrorist activity is worrying the population and the cost of the damage has not been determined. More will be known in the next few hours. No one has claimed responsibility yet for the attacks.

According to Soto Luna, police found a whipala (Quechua and Aymara Indian flag) near tower 52 but nothing else that could help determine which terrorist organization was responsible for the attack.

Negative Foreign Exchange Through Sep Reported

PY1611000291 La Paz PRESENCIA in Spanish 5 Nov 91 p 1

[Text] Bolivia has reported a negative foreign exchange flow through September 1991. This means that Bolivia's foreign debt payments exceeded the loans received by our country.

The $47.3 million deficit in the foreign exchange flow is included in the economic variables report that is drawn up every month by the Bolivian Central Bank (BCB) economic studies management.

Foreign fund disbursements received by our country through September totaled $151.7 million while foreign debt payments made by Bolivia in the same period totaled $199 million.

According to the office of the Foreign Department deputy manager, $54.4 million was paid on the foreign

debt principal and interest in September, when the largest foreign exchange expenditures were made.

A total of $44 million was received by our country in July, when the largest amount of funds for our country was received.

The comparison between foreign exchange income and expenditures in 1991, expressed in millions of dollars, can be found in the enclosed chart.

By comparison, in 1990 the foreign exchange flow was positive for our country because income totaled $357 million and expenditures totalled $324.7 million, which represented a $27.3 million [numbers as published] surplus at the end of the fiscal year.

Brazil

Venezuela's Perez Arrives on 3-Day Visit

PY1811130891 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 18 Nov 91

[Excerpt] Venezuelan President Andres Perez is paying a three-day visit to Brazil, accompanied by 40 businessmen. He said that he intends to strengthen trade between the two countries, which last year amounted to $636 million. This year it is estimated to total $1 billion. Brazil has become Venezuela's main supplier and the principal market for Venezuelan exports.

President Perez arrived in Brasilia yesterday. During his three-day stay he will discuss with President Fernando Collor ways to step up trade between the two countries. They will also discuss a joint stance to be taken at next year's international environment conference. Another issue on the presidential agenda is the demarcation of the Ianomani Indian territory. [passage omitted]

Holds Meeting With Collor

PY1811234291 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 18 Nov 91

[Report by Lourival Macedo from Planalto Palace]

[Text] President Fernando Collor today held his first working meeting with his Venezuelan counterpart, Carlos Andres Perez, who is making his second official visit to Brazil.

Collor welcomed Perez at Planalto Palace and after the appropriate military honors they held their first working meeting.

The Venezuelan president, whose entourage includes his main cabinet ministers and 40 Venezuelan businessmen, wants to increase trade with Brazil.

Brazil is Venezuela's leading trade partner in Latin America. Trade between the two countries totaled $640 million last year and this year it may total $1 billion, Itamaraty said. Bilateral trade has increased markedly since the Persian Gulf crisis, at which time Brazil increased its oil imports from Venezuela. Today, Brazil is importing 55,000 barrels per day from Venezuela.

The two presidents today discussed the possibility of creating joint Brazilian-Venezuelan enterprises in the areas of civil engineering, mining, electrical industry, and agricultural machinery. The Brazilian Petroleum Corporation [Petrobras] and the Venezuelan Oil Company will sign a cooperation agreement to enable Petrobras to prospect for oil deposits in the Orinoco River basin. The Rio Doce Valley Company also will sign an agreement with the Venezuelan Corporation of Guyana to exchange information on research and production of steel between the two countries.

At the end of this first meeting, Collor invited his Venezuelan colleague to visit an integrated child care center in Paranoa, a suburb of Brasilia.

Foreign Minister Reports on Talks

PY1911002891 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 18 Nov 91

[Report by Antonia Marcia Vale at the Foreign Ministry]

[Text] Foreign Minister Francisco Rezek today said that the demarcation of the Ianomami reservation was one of the main topics discussed by Presidents Fernando Collor and Carlos Andres Perez at their first working meeting.

The cultural and political significance of the demarcation of the reservation for the Ianomani Indians at the Brazilian border with Venezuela highlighted the meeting between the two presidents.

In remarks made after the presidential meeting, Foreign Minister Rezek said the two presidents emphasized the fact that the demarcation of Indian reservations in both countries is a factor that will be instrumental in avoiding problems in border areas. The two governments are exchanging information on the best ways of addressing problems affecting Indians, especially in the area of health.

Foreign Minister Rezek noted, however, that joint action could be undertaken only after each country has solved all problems concerning their respective reservations.

[Begin recording] Each country works within its own jurisdiction. We still have much to do in areas over which we have specific jurisdiction. We are particularly concerned about health care for the Indian population. Perhaps we should try to achieve more significant results in this area before considering the possibility of bilateral action, or joint action with Venezuela. [end recording]

Even so, the two presidents already have created a binational border commission consisting of local leaders, who will be charged with formulating common strategies to promote economic development at the Brazilian-Venezuelan border.

Collor Postpones Visits to Uruguay, Chile

PY1911120891 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 19 Nov 91

[Text] President Fernando Collor has postponed his visit to Uruguay on 16-17 December and to Chile on 18-19 December. Collor will now visit these two countries next March according to Foreign Minister Francisco Rezek.

Rezek confirmed that this year Collor will only visit Colombia, where he will participate in the Rio Group meeting between 30 November and 2 December, and Italy on 11-13 December. In Rome Collor will sign an agreement that will guarantee Brazil resources for more than $1 billion.

Rezek to Moscow in Dec; Predicts Closer Ties

PY1811140491 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 18 Nov 91

[Text] Foreign Minister Francisco Rezek has predicted an improvement in Brazilian-USSR commercial relations in the short term.

Rezek will travel to Moscow next month accompanied by a group of diplomats, not with businessmen like his visit to Iran.

Rezek believes in tightening relations with the USSR. He recalled that the USSR has stopped subsidizing exports, stopped supporting its old allies, and has reduced expenditures in the nuclear race and the military industry.

Government Ends Gasoline Price Control

PY1511173291 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 14 Nov 91

[Text] Infrastructure Minister Joao Santana has announced the end of the unified gasoline and freight price system. Starting on 15 November, alcohol fuel, gasoline, and diesel fuel will be cheaper for nearly 90 percent of the population. The other 10 percent will continue to pay today's prices. Gasolines prices will only remain at today's prices where there are no distributors. The measure ending the unified price system was announced today by Infrastructure Minister Joao Santana during a ceremony at the Planalto Palace that was attended by President Fernando Collor.

Santana said that the government wants to deregulate the economy and decrease government interference in the life of citizens.

[Begin Santana recording] This is a new important step. From now on service station owners and consumers will have a new tool to fight high prices. Service stations will be able to sell this essential commodity to consumers at lower prices. Service stations will freely and openly compete with each other to better serve the market. [end recording]

As of today service stations will be responsible for transporting gasoline. Petrobras [Brazilian Petroleum Corporation] will save $30 million, or 24 billion cruzeiros per month.

Government Finishes Letter of Intent for IMF

PY1911020091 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 18 Nov 91

[Text] The letter of intent that the government will hand the IMF is ready. In it the Brazilian Government pledges to maintain an inflation rate below 10 percent next year.

In the document Brazil is committed to spend less and create a larger surplus. The Treasury is committed to close 1992 with a surplus of $12.5 billion. Inflation will have to drop: The commitment is to lower the inflation rate to 10 percent for the entire year. What this means is more belt tightening. For all these promises to be fulfilled, furthermore, Congress must approve the government's tax reform bill. The difficult and controversial discussion has just begun.

[Begin Globo commentator Joelmir Beting recording] In order to get the IMF to help Brazil negotiate its debt with creditor banks next June or July, Brazil must commit itself to fulfill goals as established in that letter of intent: clean government accounts, without deficits, zero growth in 1992, and an inflation rate reduction to less than 10 percent for the entire year. These goals might be modest according to international standards, but we have to recall that our fiscal adjustment depends on a tax reform that Congress has yet to approve. Besides, the reduction of the inflation rate must be slow and gradual, without shocks, without freezes. If all these things are accomplished, the economy will grow again. When? The economy will grow again in 1993, the year we are supposed to turn the corner. This is what is written in the letter of intent. [end recording]

More on Economic Plan

PY1611003491 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 15 Nov 91

[Text] Planning Secretary Pedro Parente announced in Washington that the letter of intent to be signed by Brazil and the IMF is ready.

The letter of intent, which is an agreement that is required to obtain a $2 billion loan, envisions that by December 1991 Brazilian inflation will not be higher than 9 percent monthly. There will be zero economic growth in 1992; 3-percent growth in 1993; and 5- percent growth in 1994.

Police, Demonstrators Clash Over Auction

PY1911002291 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 18 Nov 91

[Text] Police and demonstrators clashed in front of Rio de Janeiro's stock market today. Police used tear gas to

disband a group of demonstrators who tried to prevent the auctioning of Usiminas [Minas Gerais Iron and Steel Mills, Inc.] preferred stock. During the auction that lasted less than half an hour, the government sold more than 50 percent of Usiminas' preferred stock.

The group of demonstrators gathered in front of the stock market. They wanted to enter the premises to prevent the auction, but they were confronted by 100 police officers who used water cannons and tear gas. One demonstrator was arrested.

Inside the stock market the auction of preferred stock went on. The auction lasted 22 minutes. Fifty-three percent of the preferred stock was sold at the minimum price: 550,000 cruzeiros per lot of 1 million shares.

Combining the auctions of common and preferred stock, the government reached the minimum company price of $1.53 billion, or nearly 1.1 trillion cruzeiros. The auctioned stock will begin to be traded tomorrow. Stock that was not sold will be transferred to the National Privatization Fund.

New Parliamentarian Bloc Created

PY1611002491 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Nov 91 p 4

[Text] The amendment's defeat in Congress led the PSDB [Brazilian Social Democracy Party] to separate from the government and cleared the way for the creation of the Parliamentary Front [Frente Parlamentar—FP], which is a new political alliance made up of 113 deputies from the PDS [Social Democratic Party], PTB [Brazilian Labor Party], PDC [Christian Democratic Party], and PL [Liberal Party]. FP members issued a statement explaining their goal "to make the country more governable." They will meet in Brasilia on 13 November to adjust the final details designed to formalize the "center" group, which advocates "economic liberalism."

The FP's basic document has six points, and to guarantee the possibility "of making the country more governable" FP leaders such as Gastone Righi, PTB Deputy for Sao Paulo State, are willing to offer their support to President Fernando Collor in exchange for the establishment of a "coalition government." Otherwise, Righi said, "we could be promoting divisionism." The four political parties gave political support to the government last year, but now they refuse to join the bloc of 127 deputies from the PFL [Liberal Front Party] and PRN [National Reconstruction Party] that supports the president.

Despite this fact, Victor Faccioni, PDS deputy for Rio Grande do Sul State; Eduardo Siqueira Campos, PDS deputy for Tocantins State; and Ricardo Izar, PL deputy for Sao Paulo State, continue to attend the meetings promoted by Justice Minister Jarbas Passarinho to coordinate the government's strategy in each election.

As soon as the FP is formalized, this group will become the second major bloc in the Chamber of Deputies in 1992. This position will enable it to ask for seats within the technical commissions and for the post of spokesman for major projects. The group's firepower for negotiations with the government also will improve. If Planalto Palace accepts the proposal to form a "coalition," the FP would like to run a ministry.

The great challenge for the FP will be the vote on the tax reform proposed by the government. In its statement, the FP promises to make efforts "in support of actions that can become modern and simple." At least two of the four leaders involved in the creation of the group do not think that this position is provided for in the reform proposed by Planalto Palace.

Chile

U.S. Military Aid Issue Viewed by Congressman

PY1911124491 Santiago Radio Cooperativa Network in Spanish 2200 GMT 18 Nov 91

[Text] The rejection by the U.S. House of Representatives of a proposal on military assistance to Chile has been interpreted as another Kennedy Amendment by Chilean National Renewal [RN] congressmen.

Christian Democracy Deputy Sergio Pizarro Mackay, president of the Chilean Chamber of Deputies Foreign Affairs Committee, has said that the latest session of the U.S. Congress did not legislate or seek to legislate, vote, obstruct, or harm the technical, material, or financial aid to the Chilean Armed Forces.

Pizarro is currently in New York attending UN sessions. During this visit he discovered that the subject matter which was denounced by the RN was rejected by the U.S. House of Representatives.

Pizarro said that interpreting this as an act of discrimination against Chile shows that the RN congressmen confused the population by their lack of information and knowledge.

Pizarro said that the RN congressmen, including Deputy Federico Mekis, erroneously informed the Chilean public of an alleged new Kennedy Amendment.

Arrest Warrants Confirmed in Letelier Case

PY1911023491 Santiago Radio Cooperativa Network in Spanish 2200 GMT 18 Nov 91

[Text] By a three-to-two vote, the Supreme Court this afternoon confirmed the arrest warrants issued by Judge Adolfo Banados Cuadra, who is investigating the Letelier case, against former DINA [National Intelligence Directorate] chiefs General Manuel Contreras Sepulveda, retired, and Brigadier Pedro Espinoza Bravo. The two are now and will continue to be tried for their alleged responsibility for the murder of former Foreign Minister Orlando Letelier.

According to the Supreme Court decision, the former DINA chiefs also will remain under arrest for forging passports with illicit intentions. It must be remembered that both Contreras and Espinoza have been detained since 23 September, following orders by Judge Banados.

In order to determine whether the arrest warrants were in keeping with the law, the Supreme Court justices studied the records compiled through 23 September as well as all of the information obtained by Banados after that date.

The justices who confirmed the arrest warrants of the former DINA chiefs are Hernan Cereceda, Marco Aurelio Perales, and Arnaldo Toro, while Osvaldo Fagundes and German Valenzuela Erazo opposed the warrants.

The resolution of the justices who approved the arrest warrants is only two lines long, while the one that rejected the warrants is three pages long and maintains that Chilean justice has no jurisdiction to investigate the Letelier murder, which took place in Washington, because, despite the fact that the crime and the victim were Chilean, the assassins did not return to Chile. However, Justices Fagundes and Valenzuela surprisingly do not question the possibility that Contreras and Espinoza are responsible for the former minister's murder.

After learning of the Supreme Court resolution, lawyer Fabiola Letelier said she will now ask for an embargo on the assets and properties of Contreras and Espinoza.

Supreme Court Confirms Charges

PY1911131891 Madrid EFE in Spanish 0754 GMT 19 Nov 91

[Report by Patricio Vargas]

[Excerpt] Santiago, 19 Nov (EFE)—A feeling of confidence in the courts and joy has been noticed in Chile following the confirmation by the Supreme Court of murder charges and forgery of passports against the former chief of Pinochet's secret police and his right-hand man.

General Manuel Contreras, retired, former director of the National Intelligence Directorate (Dina, the secret police dissolved in 1977), and his aide, Brigadier Pedro Espinoza, will remain under arrest as ordered last 20 September by Judge Adolfo Banados.

Contreras and Espinoza are both charged with planning the murder of former Chilean Foreign Minister Orlando Letelier and his American secretary Ronnie Moffit on 21 September 1976 in Washington.

As is stated in the case file, Espinoza, following Contreras' orders, sent three Dina agents to Washington to perpetrate the crime with the help of anti-Castro Cuban refugees.

Of these agents, U.S. citizen Michael Townley and former Chilean Army Major Armando Fernandez Larios, have already been tried and sentenced in Washington and now are free in the United States.

Socialist Deputy Juan Pablo Letelier, son of the murdered former foreign minister, following a court decision on Monday, 18 November, admitted that "confidence in the Chilean courts' determination to find the truth and punish the guilty parties has revived."

Attorney Fabiola Letelier, the sister of the late Orlando Letelier who is representing the former minister's mother in this case, agreed with this comment. [passage omitted]

Socialist Party Joins Socialist International

PY1811163691 Santiago Radio Chilena Network in Spanish 1000 GMT 18 Nov 91

[Excerpts] The Socialist Party Central Committee has decided that the party will join the Socialist International. The committee also decided to have a single list of candidates within the Parties for Democracy [PPD] for the 1992 municipal elections, thus forming a federation within the bloc with the PPD and other forces. [passage omitted]

The Central Committee also decided to allow MIR [Movement of the Revolutionary Left] militants Roberto Moreno, one of the movement's founders, and Alvaro Diaz to enter the party as observers. [passage omitted]

Colombia

Socialism Remains Goal of Guerrillas

PA1911031691 Panama City ACAN in Spanish 1615 GMT 18 Nov 91

[Text] San Jose, 18 Nov (ACAN-EFE)—The Colombian guerrillas on 18 November in Costa Rica cautioned that although they are struggling for a democratic society in Colombia, they have not renounced socialism as an ultimate goal of the current effort.

Pablo Catatumbo, one of the top leaders of the Simon Bolivar National Guerrilla Coordinating Board [CNGSB], who is also a member of the commission negotiating for peace with the Colombian Government, has told the media that "we want a socialist society that will guarantee equal rights and liberty for all."

Leaders of the CNGSB—which consists of the Revolutionary Armed Forces of Colombia [FARC], the National Liberation Army [ELN], and the Popular Liberation Army [EPL]—and delegates of several nongovernmental Colombian organizations will today conclude a three-day meeting in Costa Rica.

At this meeting, Colombian experts and rebel "commanders" analyzed their country's human rights situation, the foreign debt, and the government's energy and

hydrocarbons policy, bearing in mind the peace negotiations that were interrupted two weeks ago, but that will continue in February 1992 in Caracas.

The meeting was convened by the Arias Foundation, which is headed by Former Costa Rican President Oscar Arias, and by the Colombian High Study Center for Human Well-being and Peace headed by Former Colombian Minister Alvaro Leyva.

FARC Secretary General Alfonso Cano, who is also a member of the negotiating commission, has discarded a guerrilla "surrender" like that implemented, according to him, by the 19 April Movement [M - 19], now known as the 19 April Movement Democratic Alliance, two years ago.

He said: "The M-19 surrendered and this changed nothing in Colombia. The dirty war goes on. This is why we are certain that surrender is not the path to follow." Cano conditioned the rebels' incorporation into the country's political life to negotiations to resolve the problems that "triggered the conflict" more than 40 years ago.

According to Catatumbo, so far this year there have been 58 massacres and 197 assassinations in Colombia. This is to be added to the more than 2,500 political assassinations over the past 6 years and, he stated, "no member of the military has been brought to trial" because of this.

The meeting will conclude today with two conferences, one in a San Jose hotel where they are meeting, and the other at the University of Costa Rica, after which the Colombian guerrillas will hold a news conference.

Venezuela Grants Refugee Status to CNGSB

PA1711232291 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0100 GMT 17 Nov 91

[Report by Jose Luis Ramirez]

[Text] In a surprising concession, with which the Colombian Government totally disagrees, the Venezuelan Foreign Ministry decided to grant political refugee passports to members of the Simon Bolivar National Guerrilla Coordinating Board [CNGSB]. This was done to facilitate their departure from Venezuela to San Jose, Costa Rica, where a meeting entitled "Colombia: Path To Peace" has been organized.

The Colombian Foreign Ministry will request an explanation from the Venezuelan Government with respect to the following points:

First: Why, and as of when, did Venezuela decide to grant the guerrillas political refugee status?

Second: Why was the Advisory Board for Peace Issues never advised on this issue? According to the agreements between both governments, the possibility of granting passports that would allow the guerrillas to travel to countries other than Venezuela and Colombia was never discussed or even considered. The political refugee status granted by Venezuela restricts the range of actions that can be taken by international security organizations such as Interpol and the Colombian police. This is the case since some CNGSB guerrillas have pending cases with Colombian justice.

[Begin Foreign Minister Luis Fernando Jaramillo recording] Colombia has not propitiated the internalization of the conflict probably because we have always wanted all issues to be dealt with within the framework of the Caracas negotiations. [end recording]

The gathering that opened 17 November in Costa Rica and which will last until 18 November, was not endorsed by the Colombian Government. The meeting is being presided over by former Costa Rican President Oscar Arias; Alvaro Leyva Duran, former Colombian constituent member; (Klaus Apeya), International Red Cross representative to Colombia; and representatives of the Colombian Petroleum Enterprise and the Federation of Petroleum Workers.

The issues discussed during the meeting will revolve around peace in Colombia, hydrocarbons, and human rights. The CNGSB members plan to return to their base camps in Colombia on 21 November.

Commentator Rejects Foreign Meddling

PA1811201391 Santa Fe de Bogota EL TIEMPO in Spanish 15 Nov 91 p 4A

[Editorial: "Thanks, but No Thanks"]

[Text] The guerrillas want to internationalize the peace process. The old tactic of seeking showy ways to avoid [illegible]g in direct talks with the government has been rep[illegible]d once again. Each time the talks fail because the rebe[illegible] simply do not accept the government's terms for a retu[illegible] normalcy, they plan a parallel process to create more pressure on the authorities to force them to yield.

Now they are looking for former Costa Rican President Oscar Arias to serve as a mediator. The former president must be pleased with this. He was awarded the Nobel Peace Prize and is probably tempted to serve as a mediator again. However, he does not know who he is dealing with. Others have already fallen prey to the illusion that "peace is around the corner," as the Colombian guerrillas and their spokespersons made it appear many years ago. They soon realized that, as far as peace was concerned, the subversives had an excess of flowery words that were not matched by their real intentions.

Moreover, the government should not lose the initiative in the peace process or let itself be handled from abroad. Colombian problems should be resolved by Colombians. Mediation by foreigners is not appropriate here, no matter how well-intentioned they may be. Former President Arias won his well-deserved prize by "de- Contadorizing" the peace process in his region and making it a

strictly Central American matter. This is the recipe that we want to continue to use in a matter that is exclusively Colombian.

We must express appreciation for the kindness of the international mediators. However, we must reject their kind offer in a matter that is strictly our responsibility. We must resolve our problems ourselves. As Cyrano de Bergerac said in Edmond Rostand's book: "Thanks very much, but no thanks."

Peru

Fujimori on Visit to 'Special' PRC Economic Zone

PA1811183491 Lima Panamericana Television Network in Spanish 1200 GMT 18 Nov 91

[Text] President Alberto Fujimori ended his tour of four Southeast Asian countries. Earlier today he arrived in San Francisco, California for a two-day visit, during which he will meet with businessmen and representatives of financial institutions.

During his last day in Southeast Asia, he visited the Shantou special economic zone in the PRC. In the city of Shantou, an experimental economic laboratory operates under neoliberal concepts, as part of agreements between the PRC and the UK toward Hong Kong's incorporation into the Peking Government in 1997. President Fujimori expressed great interest in learning about the mechanisms used in that project, mechanisms that could also be implemented in Peruvian free zones.

[Begin Fujimori recording] Our visit will enable us to have a better idea of the progress that has been made in that special economic development zone. I sincerely congratulate the PRC Government for this accomplishment. First of all, because it is an original model for development, and secondly, because we believe it can be an important factor in relations between Peru and Shantou, as the zone's development can help increase our bilateral trade. Trade relations or foreign trade is one of my government's priorities. I read that some business transactions agreed upon during our previous visit have materialized. This is very encouraging. [end recording]

Mediation of Brazil in Border Conflict Discussed

PA1811174091 Lima Panamericana Television Network in Spanish 1200 GMT 14 Nov 91

[Telephone interview with Foreign Minister Augusto Blacker Miller by unidentified station announcer in Lima—live]

[Text] [Announcer] Good morning Mr. Minister, we are going to read to you a UPI dispatch from Brasilia stating that President Fernando Collor de Mello's government will act as mediator to solve the border conflict between Peru and Ecuador. This was reported by Mr. Costa Jr., president of the Foreign Ministry and National Defense Commission of the Brazilian Senate. Yesterday, he met with two Ecuadoran legislators and Ecuadoran Ambassador to Brazil Juan Manuel Aguirre. The Ecuadoreans asked the Brazilian Congress to act as mediator in the border conflict with Peru and thereby be able to place the missing markers on the 78 km post along the border. Costa Jr. announced that the Brazilian Government would act as mediator in the border conflict between Ecuador and Peru. Mr. Minister, what has taken place, as Brazil is a guarantor nation besides being coordinator of the guarantors of the Rio Protocol?

[Blacker] I do not think anything has happened. It is just that Brazil, like the other guarantor nations, does not want the differences between two neighboring countries in South America, especially those between Peru and Ecuador, to get worse.

[Announcer] Of course, Mr. Minister, but Brazil's actions should be within the framework of the Rio de Janeiro Protocol.

[Blacker] As you know, the Rio Protocol defines the border that should exist between Peru and Ecuador. Nevertheless, there is a piece of land that still must be marked off; this has been the core of the problem. Moreover, Article Six of the Rio Protocol states very clearly that Peru should also find a way to give Ecuador right of way to the Amazon River. I think this is another issue we should try to resolve, all within the framework of the same protocol.

[Announcer] Mr. Minister, is mediation by Brazil, the pope—this has been rejected—or any other person acceptable in this case?

[Blacker] In my opinion, the guarantor nations obviously have the right to decide how they want to guarantee the Rio Protocol. What is important and what must be stressed is the fact that no one is questioning the Rio Protocol. I think this should be highlighted.

[Announcer] You are right, but there seems to be some confusion. Brazil should announce that as a guarantor nation it will fulfill the 1942 document; it should not just announce that it will act as mediator in the border conflict.

[Blacker] That is right. Nevertheless, we cannot ask a Brazilian legislator to express himself exactly as we prefer. What is important is the context within which the statements were made. It is important to note that, according to the dispatch you have read, it is Ecuador that is saying it wants this to be done in accordance with the Rio Protocol. In my opinion, what we should do is assure our community that in the next few months this situation, which should have never existed, will disappear permanently.

[Announcer] Mr. Minister, what you have just said is very important. The community must be assured. Nevertheless, what has happened is that this information comes out precisely after two Ecuadoran legislators, accompanied by their ambassador to Brazil, visited an

important Brazilian Senate commission. Unfortunately, Peru has not done this yet. We have just heard that the plenipotentiary ambassadors will not travel until 16 November. Meanwhile, Ecuador is gaining ground. That is, its Foreign Ministry and representatives are working on this. They have not only traveled to the guarantor nations but also to other nations to present their positions. Do you think Peru has fallen behind in this regard?

[Blacker] I think Peru could have sought more assistance from the international community because of our position in the Rio Protocol. Nevertheless, we are now on this road. I am pleased to say that the congressional commission of plenipotentiary ambassadors is traveling to the guarantor nations. The commission has been formed and will depart on 15 November for Brazil, which will be the first nation it will visit. It will have an opportunity to clear up the statements issued by those persons in Brasilia. What I think is important, and what I have asked them to convey to the nation and to all the nations they visit, is a message of peace and integration. I must stress that a nation, such as ours, that is joining the international community must be integrationist. We cannot pretend to close ourselves off within our borders, because this would be inconsistent with the current government's position. We must be integrationist. We must find the best way to arrive at agreements, not only with Ecuador, but we must also end the conflict with Chile, once and for all. I believe this is achievable, and we should work hard to achieve this as soon as possible.

[Announcer] One last question. Will the Peruvian Foreign Ministry issue a communique or give an explanation regarding the information that has arrived from Brazil?

[Blacker] For the time being we will not issue a communique. We do not think it is appropriate to respond to what could be an interpretation of the Rio Protocol by people who may not be well-informed. I want to stress again that we are confident and have trust in the Rio Protocol to protect our rights. It has been thoroughly studied and is faultless. Our position is simply to solve, in accordance with the protocol, any differences that might arise. That is our policy.

[Announcer] We are sure that the plenipotentiary ambassadors will have more information on this and that they will receive precise instructions taking into account, of course, that Ecuador has already visited the Brazilian Government. Mr. Minister, thank you for talking with us.

Freedom Movement Leads Political Preference Poll

PY1511210291 Lima EXPRESO in Spanish
5 Nov 91 p A5

[Text] According to a survey of the Peruvian people's political preference conducted by Apoyo Inc., the Freedom Movement is the group in which the public has the greatest confidence, obtaining a 21-percent acceptance rate. Far behind are the American Popular Revolutionary Alliance (with 12 percent); and Change 90 (with 10 percent), which already is experiencing the negative effects of being in power. The United Left has 8 percent, the Popular Christian Party has 7 percent, the Popular Action Party has 6 percent, and finally, the Socialist Left has only 3 percent.

Government Opens Rail System to Privatization

PY1511220291 Lima EXPRESO in Spanish
7 Nov 91 p A13

[Text] The government yesterday issued Decree No. 690—under the special prerogatives granted it by Congress—by which private investments in the railroad system are declared of national interest. The decree forbids any type of monopoly or restrictive practice in this activity.

According to the decree, the railroad system is in a state of disrepair for lack of maintenance and it is necessary to promote the participation of private capital to help solve the problem.

From now on, any individual or firm established in the country will be able to offer railroad transport services by obtaining the necessary operating permit from the Transportation and Communications Ministry. Such operators will be free to set tariffs and freight charges in accordance with market rules of supply and demand.

Transportation and Communications Ministry Decree No. 041, meanwhile, declares the National Railways Enterprise (Enafer) in a state of emergency for a period of 180 days. During this period, Enafer directors will be empowered to implement measures to reorganize the company financially and operationally.

Enafer directors also will be empowered to implement necessary administrative and personnel restructuring programs, for which it will be necessary to obtain labor authorities' approval. Resources needed for such restructurings will be obtained through the sale of assets in accordance with cash needs.

Radio, Television Association Issues Communique

PA1811161291 Lima Global de Television Network in Spanish 0100 GMT 14 Nov 91

[Text] In light of the approval of Legislative Decree 702, which significantly changes the current telecommunications legislation, the National Radio and Television Association, in compliance with its objectives to safeguard freedom of expression over radio and television and to preserve legal guarantees that ensure that they are used to uphold our democracy, believes it is imperative to state the following:

Legislative Decree 702 not only lacks guarantees of freedom of expression as established in our Constitution,

but it also introduces the threat of expropriation to radio telecommunication companies. This is unacceptable.

The decree also includes provisions that would allow the government to control and manipulate assets owned by radio and television companies. The Ministry of Transportation and Communications has reserved the right to approve or disapprove the sale of radio and television company shares or of the company itself.

Finally, the decree authorizes the transportation and communications minister to intervene in the content of programs that are transmitted over radio and television. This would be accomplished by implementing mechanisms that would be regulated by the ministry.

In addition, the decree includes several other provisions that, instead of strengthening guarantees of the free exercise and competitiveness of radio and television transmission, only overshadow and weaken the clear-cut regulations now in use.

For all these reasons, the National Radio and Television Association, to which all radio and television companies in Peru are affiliated, believes that it is urgent to warn the whole country—particularly the legislative branch—that this decree endangers the guarantees of freedom of expression through radio and television. These guarantees are the foundation of our democracy.

Radio broadcasters are amazed by the approval of this decree that will only cause people to mistrust the government's conduct, which has been irreproachable until now.

Police Report Countrywide Guerrilla Attacks

PA1811193991 Mexico City NOTIMEX in Spanish 2133 GMT 17 Nov 91

[Text] Lima, 17 Nov (NOTIMEX)—The police reported today that guerrilla attacks in the past 24 hours in different parts of the country have caused 12 deaths, three missing, and 50 wounded.

In the first attack early this morning, Maoist Shining Path rebels hurled two grenades at a low-income house in the strife-torn city of Ayacucho, Ayacucho Department, in the South Andean region, where the wedding celebration of policeman Alberto Campos was taking place. The grenades' shrapnel killed three persons and wounded 45, including the bride, Nelly Lampa, who was taken to the regional Huamanga (Ayacucho) hospital, located 578 km south of Lima.

The Tupac Amaru Revolutionary Movement (MRTA) killed two policemen following a drawn-out battle in La Pucura, Cajamarca Department, 850 km north of Lima. According to the police, the rebels overpowered the 10 policemen stationed in the town's precinct and tried them before a "people's court" in the main square. Three policemen were taken hostage.

Another policeman was killed in the town of Lamas, located in the jungles of northeastern San Martin Department, when a patrol repelled MRTA rebels who were seeking Mayor Abner Gonzalez, who managed to escape, the source added.

One soldier was killed in the town of Nuevo Cajamarca, approximately 180 km north of Tarapoto, San Martin Department, when alleged guerrillas attacked two banks with bombs. In addition, the mayor of a Huancayo District in Junin Department was killed following a blackout in Mantaro Valley. Also in Huancayo, a bomb killed Dr. Cesar Flores and seriously wounded five people, including a child.

This morning, the police in Lima found the bodies of three young men on the edge of the main highway in the northern area of the city. Apparently, they had been gunned down by a Shining Path annihilation cell.

In addition, the Shining Path issued flyers claiming responsibility for the murder of journalist Cirilo Ore, Ayachuco correspondent for liberal daily EXPRESO. The murder took place three weeks ago in this city, which is considered the cradle of the Maoist movement.

The Shining Path also threatened to kill five other Ayacucho reporters, including Hugo Ned, correspondent for the conservative newspaper EL COMERCIO and the foreign UPI news agency.

The names of the other threatened reporters are: Abdilio Arroyo of influential weekly CARETAS weekely, Alberto Lopez of daily EL NACIONAL, Ramiro Rivas of Lima's Radio Cora, and Fanfan Anaya of an Ayacucho radio station.

Venezuela

President Explains Privatization of CANTV

PA1811200791

[Editorial Report] Caracas Venezolana de Television Network in Spanish from 1428 to 1435 GMT on 17 November carries live or recorded from the presidential palace a speech by President Carlos Andres Perez on the sale of the National Telephone Company of Venezuela [CANTV]. The speech was monitored in progress.

After describing the bidding process, Perez talks about the importance of abolishing a monopoly. "We have not replaced a state monopoly with a private monopoly," he says, adding that during the next nine years there will be freedom to compete in all areas of communication except for basic telephone services, that is, local and long distance calls. He explains that "the state will maintain its basic sovereignty" and that these basic services will only be developed through state concessions and under very harsh conditions.

Perez goes on to say that important services—such as cellular phones, pay phones, lines to rural areas, and fax services—will be available to anyone who wishes to invest.

Perez notes that the state outlined the privatization of CANTV as follows: 40 percent of the company was sold to a private company through a bidding process; 11 percent to CANTV employees; and 49 percent remains in the hands of the state. He explains that two consortiums bid for the company, which was sold for $4.8 billion.

"The privatization policy is also aimed at redistributing wealth," Perez notes. He goes on to say that 24,000 employees have become stockholders and that their 11 percent is valued at $500 million.

Perez continues by saying that the most important thing about the sale of CANTV is that it symbolizes the great interest and confidence that foreign investors have in the future of Venezuela's economy and notes that privatization "in no way endangers the sovereignty and security of the state." He adds: "This process, on the contrary, strengthens the state's ability to regulate the telecommunication services."

He concludes by urging all Venezuelans to see the sale of CANTV as an example of the trust that everyone should have in the future of Venezuela.

* Poll Reveals Doubts About Economic Policy

92SM0076A Caracas EL UNIVERSAL in Spanish
18 Oct 91 Section 2 p 4

[Text] The study itself indicates that 63.1 percent of industrial establishments have not received technical assistance during the past two years. As for exports, 65.7 percent have not exported, 20.4 percent are currently exporting, and 13.7 percent have given up that activity. A total of 80.9 percent of the companies are purchasing components and machinery of foreign origin.

An OCEI [Central Office of Statistics and Information] industrial poll reveals that 41.7 percent of business owners consider the industrial policy deficient. As for the technical assistance received by industrial establishments, the same study has established that 63.1 percent have received none over the past two years.

With regard to exports, the investigation conducted indicates that 65.7 percent have not exported, 20.4 percent are currently exporting, and 13.7 percent have abandoned the aforementioned activity.

We have transcribed below the principal findings of the analysis made by the Central Office of Statistics and Information, subordinate to the Ministry of the Secretariat of the Presidency of the Republic.

Industrial Policy

A total of 20.5 percent of the business owners think that there is an efficient industrial policy, whereas 41.7 percent regard it as deficient. In the business owners' opinion, urgent improvements are required in the following respects: an expansion in credit incentives, and an increase in programs for labor training, as well as prices.

As for the expectations for the second half of 1991, 26 percent expect it to be more favorable, 53 percent think that it will remain the same, and 19.5 percent claim that it will be less favorable.

Public Credit Systems

The financial programs most familiar to industrialists are those of Corpoindustria [Industrial Corporation] (58.3 percent), Foncrei [Industrial Credit Fund] (51.5 percent), Industrial Bank of Venezuela (44 percent), and Finexpo [Export Financing Fund] (35.5 percent). The most significant problems noted by business owners in these financial programs are the difficulties in obtaining access to credit and the excessive guarantees required.

Foreign Investment

Moreover, 56.7 percent of industrialists think that the entry of direct foreign investment into the country should be facilitated. The form in which they would most like to receive such investment is by way of contributions of technology transfers and direct monetary contributions.

Use and Expansion of Productive Capacity

In the business owners' view, the industrial manufacturing industry is using 67.07 percent of its installed capacity. The branch including the textile, clothing, and leather industries is the one showing the most use, with 72.58 percent; followed by the basic metal industries, with 71.29 percent. On the other hand, the manufacture of metal products, machinery, and equipment is the type showing the least use of its installed capacity, with 54.21 percent.

It is important to stress that 70.07 percent of the business owners think that their industries are in a position to raise their production by 22.26 percent with the existing equipment and machinery.

Over the short term, 40.4 percent of the industrialists are considering projects for the expansion or replacement of equipment. This is prompted mainly by reasons of domestic market growth and product diversification.

Exports

The results obtained indicate that 65.7 percent have not exported, 20.4 percent are currently exporting, and 13.7 percent have given up such activity.

A total of 33.6 percent of the industrialists are interested in initiating or resuming export activity over the short term. Moreover, the main reasons for their not having exported or having stopped exporting are the following, in order of importance: sufficient domestic market, noncompetitive cost, and difficulty with financing for exports.

The industrialists representing business firms that are currently exporting noted that the principal areas to which our exports go are the Caribbean area and the United States.

Imports

A total of 80.9 percent of the firms purchase components and machinery of foreign origin. The fundamental reason advanced is the nonexistence of national production (86.9 percent).

As for the substitution of imports with products manufactured in the country, 11.1 percent are equipped to produce them. The industries engaged in producing basic metals and metal products, machinery, and equipment are the ones claiming to have the best capacity for engaging in this activity.

Technical Assistance

Of the industrial establishments, 63.1 percent have not received any technical assistance during the past two years, while 36.8 percent claim to have obtained some technical assistance. The latter has been directed toward the areas of production, engineering, and research techniques for the manufacture of new products. Foreign companies are providing 59.6 percent, and national companies, 48 percent.